FINANCIAL TIMES

No. 27,258 Friday April 29 1977 ** 12p

CONTINENTAL SELLING PRICES: AUSTRIA Sch.15; BELGIUM Fr.25; DENMARK Kr.3.5; FRANCE Fr.3.0; GERMANY DM2.0; ITALY L.500; NETHERLANDS Fl.2.0; NORWAY Kr.3.5; PORTUGAL Esc.20; SPAIN Ptas.40; SWEDEN Kr.3.25; SWITZERLAND Fr.2.0; EIRE 12p

NEWS SUMMARY

GENERAL

Bhutto accuses foreign power

Hopes for a political settlement in Pakistan appeared last night to have been seriously set back by a belligerent speech in which Mr. Bhutto, Prime Minister, spoke of a "colossal international conspiracy" to oust him.

Although Mr. Bhutto did not name the U.S., his remarks left no doubt that he wished Pakistanis to believe that it was paying for an organising the agitation by the Pakistani National Alliance.

Earlier in the day, Mr. Aziz Ahmed, Foreign Minister, also blamed Pakistan's difficulties on foreign intrigue and bitterly attacked the BBC.

The BBC, he said, had consistently encouraged subversion in Pakistan. As with Mr. Bhutto, Mr. Ahmed was addressing a joint session of the two houses of the National Assembly which had been called to ratify the state of emergency. Attack on BBC, Page 6

Smith still favours U.S. aid

Mr. Ian Smith, speedily rebutting his Party chairman Mr. Des Frost's TV assertion that Rhodesians could write off the Kissinger-proposed International Trust Fund for Zimbabwe after independence, summoned U.S. correspondents and told them he was strongly in favour of the fund.

detectives in Belfast

...tective-constables were ...J wounded in Anderson, Belfast, yesterday afternoon. Earlier, detectives arrested a member of the Provisional IRA whom they described as "the most wanted man in Co. Tyrone."

Amin in Zaire

President Amin of Uganda flew into Zaire to inspect the "suicide squad" which he despatched on Wednesday to aid President Mobutu's forces fighting invaders in Shaba province. Page 6

Foundry blast

A worker was killed and 17 other men were injured in a foundry blast at the Birmingham Battery and Metal Company, Selly Oak. A crane driver was knocked unconscious in his cab 40 feet above the foundry floor.

Spanish unions

The right to form independent trades unions was granted officially in Spain yesterday. Five unions immediately lodged articles of constitution with the authorities. Page 5

Speed record

Grand Prix driver Derek Bell broke the British flying 500 metres record with an average 187.34 mph at RAF Fairford, Glos. He was driving the five litre Ferrari in which Robert Horne broke Sir Malcolm Campbell's 51-year-old record with a speed of 191.64 mph on Wednesday.

Briefly.

Three leaders of the Baader-Meinhof urban guerilla gang were jailed for life in West Germany. Page 4

The Salvation Army's High Council of 41 commissioners and colonels met at Sunbury, Middlesex, to elect a successor to General Wiseman.

The House of Lords dismissed Evening Standard reporter Mr. Mark Hosenball's petition for leave to appeal against an Appeal Court decision upholding a deportation order.

Two Spanish fishing vessels were escorted by HMS Orkney to the Shetlands last night for allegedly fishing within the 200-mile limit.

Soviet divers using aqualungs have carried out a series of experimental swims under the North Pole, the news agency Tass reported.

BUSINESS

New rise in gilts; equities fade

● GILTS made further gains, but short-dated issues slipped back from their best after the Bank of England dampened interest rate hopes. The FT Government Securities Index rose 0.32 to 69.09, still 1.87 off the four-year peak last month. Bank steps in to slow down short-term interest rates in the money market, Back Page

● EQUITIES shed most of their early gains. The FT 30-Share Index, up 5.9 at 10 a.m., closed at 428.2 for a rise of 0.3 on the day. Gold Mines fell in line with bullion.

● STERLING eased 7½ points to close at $1.7192½ and its trade-weighted index fell to 61.6 (61.7). Dollar's trade-weighted depreciation widened to 1.17 (1.05) per cent. West German D-mark was strong.

● GOLD fell $1.50 to $146.125 in active trading.

● WALL STREET rose 3.96 to 912.82.

● U.S. MONEY SUPPLY: M1 $321bn. ($321.3bn.); M2 $761.9bn. ($726.8bn.); commercial and industrial loans, down $220m. (down $97m.); fed. funds 4.82 (4.71); 90-119 day paper, unchanged at 4.75 per cent.

Inflation shows no sign of slowing down

● INFLATION will not slow down until well into summer, judging by latest figures from the Price Commission. Price rise proposals dealt with by the Commission continued at a high rate last month. This is likely to be reflected later in the retail prices index. Page 10. Editorial comment, Page 22

● BRITISH STEEL Corporation lost £100m. on sales of £3bn. in the 1976-77 financial year and does not expect to make a profit during the next six months. Back Page

● GOVERNMENT plan to save power engineering jobs by building a Drax power station before it is needed will destroy other jobs, according to the CEGB. Older coal-fired power stations will be shut, wiping out jobs of power station staff and miners, it says. Page 13. No deal has been made between the Government and GEC on restructuring the heavy power plant industry, said Mr. Eric Varley, Industry Secretary. Back Page

● PENSION scheme members are in favour of more involvement in their schemes, but opposed to appointment of their representatives by unions according to a CBI survey. Page 21

COMPANIES

● MARKS AND SPENCER made record pre-tax profit of £102.45m. (£83.77m.) in the year to March 31. Page 25 and Lex

● PEACHEY Property Corporation subsidiary yesterday issued a writ against Sir Eric Miller, the former chairman, claiming £130,000 plus interest on the money since January 1974.

● CORAL is making an agreed take-over bid Centre Hotels (Cranston). Page 29. News analysis, Page 2

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:

Electric 3½% 1976-79	£92¼	+ ¼
Treasury 13¾% 1993	£102¾	+ ¼
AVP	80	+ 8
Allnatt London Props.	154	+ 6
Anchor Chemical	62	+ 8
Assoc. Dairies	274	+ 6
Beaverbrook "A"	45	+ 5
Centre Hotels	54	+ 5
Dissouter Bros.	166	+ 4
Dew (G.)	102	+ 6
Doland Packaging	109	+ 9
Eng. & C'donian Inv.	98	+ 6½
Foseco Minsep	165	+ 6
Haden Carrier	103	+ 19
Laporte Inds.	118	+ 5
Marchwiel	173	+ 7
Pegler-Hattersley	198	+ 6
Racal Elect.	331	+ 9
Reckitt & Colman	390	+ 16
Rothschild Inv. Trust	257	+ 9
Sale Tilney	160	+ 5
Scot. & Universal Inv.	77	+ 5
Steel Brothers	325	+ 35
Tarmac	160	+ 6
Telephone Rentals	103	+ 6
Thomson Org.	550	+ 15
Zenith Carb. "A"	86	+ 6
EZ Inds.	300	+ 5
Hamersley	270	+ 5

FALLS

Home Charm	78	− 8
Hoover "A"	285	− 7
Marks and Spencer	117	− 3
NatWest	215	− 5
Vickers	173	− 3
BP	912	− 8
Bracken	67	− 5
Doornfontein	433	− 13
President Steyn	535	− 15
Welkom	140	− 8
Whim Creek	60	− 15

Callaghan to take tough measures on Ulster strike

BY PHILIP RAWSTORNE

The Government yesterday prepared tough measures to counter immediately the general strike in Northern Ireland, threatened next week by militant Ulster Loyalists.

All possible steps would be taken to maintain essential services and minimise dislocation, Mr. James Callaghan, the Prime Minister, told the Commons.

"We could be facing a most grave situation," he added, in an appeal to the people of Northern Ireland to help thwart the strike, or to overcome it if it took place.

The Prime Minister called a meeting of Ministers at Downing Street yesterday to discuss contingency plans to meet the threats of the United Unionist Action Council extremists.

Later, a meeting of the full Cabinet approved measures that could include the use of emergency powers and, if necessary, the reinforcement of the 14,000 troops already stationed in N. Ireland, to run the power stations and other public utilities.

Ministers are clearly determined not to repeat the mistakes of the Government in May 1974, when many believe that action to deal with the Loyalist strike that ended the power-sharing executive was too late and too weak.

Mr. Callaghan made it clear in the Commons that the Government would not yield to the Action Council's demands for increased security operations against the IRA, the establishment of a new Ulster Parliament, and a return to majority rule.

The Government's firm stand was given "total support" by Mrs. Margaret Thatcher, the Tory leader, who was informed of the Government's preparations by the Prime Minister at a private meeting at the Commons.

Mr. Roy Mason, Northern Ireland Secretary, who also attended the meeting, returned to the Province last night.

Amid cheers in the Commons, Mr. James Molyneaux, leader of the Ulster Unionist coalition at Westminster, and Mr. Gerry Fitt, leader of the Social Democratic and Labour Party, also backed the Prime Minister's tough line.

Warning

Mr. Molyneaux, who has warned the Rev. Ian Paisley, MP for Antrim North, that he could face expulsion from the Unionist coalition for his support of the Ulster militants, declared that the other Unionist MPs dissociated themselves from any "breaches of the law or any form of unconstitutional illegal activity."

Mr. Fitt, urging the Prime Minister not to be "blackmailed or bullied," said that "members of forces legal and illegal, were attempting to defy the Government and Parliament in Northern Ireland."

Mr. Callaghan issued a grim warning that any strike would have a "most serious impact in Ulster. What is more, part of it could be illegal if there is any attempt at parliamentary action."

Mr. Callaghan welcomed the support for the Government's efforts, to overcome "any attempt to bring down lawful authority and to ensure that the life of the population goes on."

The widespread condemnation of the threatened strike should be noted in Northern Ireland, he added. Everyone should recognise the serious effects such a strike would have and should do their utmost to avert it.

Our Belfast Correspondent writes: The rift between Ulster Unionist MPs over the threatened Loyalist strike deepened last night as leaders of the United Unionist Action Council prepared for an announcement to-day of their proposed action.

Mr. Paisley, who was warned by Mr. Enoch Powell that he could face expulsion from the Unionist Coalition at Westminster because of his stance, angrily turned the tables on his colleagues.

He had been assured by Mr. Molyneaux, that there was no

Continued on Back Page

French stoppage 'worst since revolt of 1968'

BY DAVID CURRY

PARIS, April 28.

FRANCE WAS to-day hit by what the trade unions are claiming is the most extensive strike action since the student-workers' revolt of 1968.

Street demonstrations in several parts of Paris added to the traffic chaos already caused by the closure of the underground train system and the failure of traffic-lights.

In Parliament, the Government won a vote of confidence in the National Assembly on its latest economic programme by 85 votes.

The result, however, was a Pyrrhic victory and followed one of the most tumultuous parliamentary sessions in recent years.

The Gaullists, who are the biggest members of the ruling coalition, voted for the Government only after they criticised M. Raymond Barre, Prime Minister, and, by implication, President Giscard d'Estaing, for their lack of political leadership.

The stand taken by the Gaullists augurs badly for the capacity of the Government still reeling from a severe setback in last month's municipal elections, to win next spring's General Election.

As if M. Barre had not been made to suffer enough, it was announced to-day that the March price index had increased by 0.9 per cent. during the month after a 0.7 per cent. rise in February, and an increase of only 0.3 per cent. in January and last December.

The April increase is also expected to be steep because of a rise of 6.5 per cent. in tariffs in a number of public sectors.

The strikes ordered by the Communist-led CGT and the Left wing CFDT caused the worst power cuts in electricity supplies in Paris and big cities with reductions in supply of 60 per cent. since the current series of strikes against the Government's austerity programme and wage restraint started at the end of last year.

Although the strike on the Metro affected only a small number of early morning trains, before the rush hour power cuts had completely paralysed the system. Power and services were not restored until 5 p.m.

On the railway, where the strike will last until Saturday, most Paris stations were served by only a quarter or a fifth of normal services and electricity cuts disrupted what services remained. Main line routes were also severely dislocated.

Bus services achieved about 60 per cent. of normal frequency, but journeys were interminable in the traffic jams. About a third of postal workers joined the strike, between a quarter and a third of miners in the north and east of the country, and about a third of secondary school teachers who form the most militant element in the FEN education union, stayed away from work.

Air France took the precaution of cancelling a handful of medium-distance flights.

In Paris, garbage continued to pile up on the pavements because of the dustmen's strike for higher pay and better conditions even though the Gaullist city government has tackled this first big challenge to its authority by calling in the army to clear away the rubbish.

It remains to be seen how far the unions, encouraged by the success of the Left in the recent local elections, will push their offensive before they begin to fear that the annoyance they cause may alienate potential Left-wing voters at next March's general election and outweigh the attractions of sabotaging the Barre plan.

Standard: City rivals step in

BY NICK OWEN AND MAX WILKINSON

TWO RIVAL city financiers stepped in yesterday as possible rescuers for the London Evening Standard, which is threatened with disappearance.

The new approaches came from Sir James Goldsmith, head of the Cavenham foods group, and Mr. R. W. "Tiny" Rowland, head of Lonrho.

Their intervention dashed the hopes of Associated Newspapers, publisher of the rival Evening News, for a rapid purchase of the Standard from Beaverbrook Newspapers.

Associated Newspapers gave union leaders details of their plan to buy the Standard for £5m., to close both papers and to start a new London Evening in their place.

It was widely expected that Beaverbrook would announce their acceptance of the bid yesterday. But at the last minute, Mr. Jocelyn Stevens, managing director of Beaverbrook, told the unions of the Goldsmith approach.

Union representatives said that Cavenham, which owns 35 per cent. of the non-voting shares in Beaverbrook, appeared to be considering a take-over of the whole company which publishes the Daily and Sunday Express as well as the Standard.

Sir James stressed last night that he did not want to raise "undue hopes. As major shareholders in the Beaverbrook group, we are of course keenly interested in what is going on.

"Our position is therefore that of having cordial and hopefully construction conversations with the Board of Beaverbrook."

Mr. Rowland said: "There must be alternatives for the people working at the Evening Standard." Lonrho "might be one of the alternatives."

The deal offered by Associated was £5m. for the Standard with an option to pay a further £2.4m. to set up a joint printing company for the Daily Mail, The Daily and Sunday Express and the new evening paper. This company would be based on Beaverbrook's new presses in Fleet Street. It is understood that Associated also offered to help pay some of Beaverbrook's share of the redundancies.

Redundancy levels were not discussed with the unions, but it is expected that about 1,750 out of 4,350 people employed on the two evenings would lose their jobs.

Yesterday's hold up to the deal came as opposition from the unions in both groups increased. Some sections of the Beaverbrook management led by Mr. Charles Wintour, former editor of the Standard are also anxious to find

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For latest Share Index, phone 01-246 8026

Two days wait for Concorde decision

BY JAY PALMER

NEW YORK, April 28.

LAWYERS from British Airways and Air France were this morning told that U.S. Federal Judge Milton Pollack would require at least two days to make public his decision on whether or not the New York Port Authority has the power to overturn a federal Government ruling and ban Concorde from Kennedy Airport.

The court hearings held to-day are an attempt by the two European airlines to force the Port Authority, which operates Kennedy Airport, to end its 13-month ban on Concorde. The port authority has consistently refused to allow Concorde to land, pending completion of its own evaluation of noise tests.

At to-day's hearings, Judge Pollack gently chided port authority lawyers with the warnings that "Kennedy Airport is still part of the United States. I think we have already "fought the civil war," he said, and Federal Government came out supreme."

The hearings opened this morning with lawyers for the European airlines arguing that the Kennedy ban on Concorde violates international air traffic treaties and assumes that state agency still has rights which in fact have been pre-empted by the Federal Government.

Arguments centred on the fact that both British Airways and Air France do not lack any element of Federal Government authorisation to begin flights. The only thing standing in the way is the port authority ban.

One precedent ruled by the Supreme Court in 1796 was quoted to the effect that international treaties, such as the Bermuda agreement signed by the Federal Government cannot be allowed to be reversed by individual states.

Later in the morning arguments centred on whether or not the Federal Government had the power to order Concorde in and whether in fact it had actually done so. The Judge took the view that the decision by President Ford's Secretary of Transportation amounted to a Federal Government order.

Port Authority lawyers, when their turn came, were criticised by the judge for their agency's lack of speed in issuing a ruling on Concorde.

£ in New York

—	April 28	Previous
Spot	$1.7190-7195	$1.7195-7200
1 month	0.62-0.49 dis	0.61-0.68 dis
3 months	1.59-1.54 dis	1.70-1.65 dis
12 months	7.35-6.85 dis	7.30-7.20 dis

Bravo safety valve was upside down

BY KEVIN DONE

STAVANGER, April 28.

THREE DRAMATIC attempts to shut off the blown-out Bravo well in the Norwegian Ekofisk field failed completely to-day as the gushing oil succeeded in forcing its way past newly-fitted safety valves.

A controversy erupted as Phillips Petroleum, the field operator, admitted that a vital piece of equipment was fitted to the well-head in an upside-down position only hours before the blow-out.

To-night Phillips flew in vital new equipment from Aberdeen. It has brought a new type of ram—a pipe ram—which will be tried out to-morrow if weather permits.

Norwegian Government concern was mounting rapidly to-night. In a move designed to head off rising Left-wing political opposition, it ordered a complete shut-down of production at the whole Ekofisk complex after questions were asked in Parliament. The Department of Industry said the shut-down was for safety reasons.

For much of the time since the blow-out, the field has produced about 150,000 barrels a day from two platforms south of the Bravo platform.

Mr. Odvar Nordli, the Norwegian Prime Minister, has asked to be kept informed of all developments.

To add to Phillips' troubles the Norwegian Minister of the Environment turned down a request last night from the company for use of chemicals to break up the oil slick still covering hundreds of square miles.

Oslo is sticking to its strategy of using mechanical equipment—skimmers and booms—to pick up the oil. But little more than 400 tons has so far been picked up, and equipment appears to be inadequate for the task.

Mr. Robert Archambeault, Phillips' engineering manager for the Ekofisk field, said the three failures to close the rams in the vital blow-out preventer on top of the well-head were a serious setback.

The two U.S. blow-out experts Boots Hansen and Richard Hatteberg returned with a team of helpers to Bravo early this morning from the giant pipe-laying barge Choctaw.

These blind rams were replaced by sheer rams, which make a different bond when they shut together, but again the oil forced its way through.

The blind rams were closed twice, but each time the oil tore its way past the steel buffers, capped with rubber to avoid risk of sparks igniting the volatile mixture of oil and gas.

It became clear to-day that the capping attempt had been seriously hampered by human error. In the immediate period before the blow-out last Friday the blow-out preventer—safety valve with rams—was fitted to the well-head upside down which is seriously prejudicing its effectiveness.

Mr. Archambeault admitted that this mistake was "complicating" the operation.

Norwegian newspaper reports suggested that drilling contractors on Bravo at the time of the blow-out took short cuts to finish their maintenance programme and get the well back in production. Phillips would not confirm this, but said the company involved was Moran International of Fort Worth, Texas, a drilling sub-contractor which has a Norwegian subsidiary, Morco Norge.

Morco Norge admitted to-night that it was responsible for placing the blow-out preventer, but said Phillips' supervisors were on the platform.

The blow-out preventer is made to a manufacturers' specification to withstand pressures up to 10,000 lbs. a square inch.

Phillips has now tested such a preventer in the inverted position to a tolerance of 4,000 lbs a square inch but even at this pressure it was leaking a gallon a minute. The pressure at the Bravo well-head is said to be 4,350 lbs. so it appears that leakage will be inevitable.

The slick area has reduced somewhat by natural means of evaporation and wind and wave action, but at least 8,000 to 10,000 tons still cover a wide area.

Ekofisk round-up Page 10

Gale warning

Southerly winds up to gale force, veering south-westerly with occasional rain and moderate or good visibility are forecast for the Ekofisk area to-day.

LOMBARD

Keeping down with the Joneses

BY ANTHONY HARRIS

THE LATEST opinion survey confirming that the British are an unambitious race is e fescinating but in one respect slightly dangerous piece of resaarch. The danger is that it will reinforce another well-marked British characteristic, smugness. So now we know why productivity lags, why attempts to generate growth exhaust themselvee in inflatien; and what ie more, we can stop worrying about it. It is all the result of a mistaken attempt to give the peeple wbst they dee't actually want. So let's just settle down to enjoy wbat is, after all, the most agreeable country. . . .

The trouble is thet this odd form of self-satisfaction hardly needs reinforcing. It has for a very long time been true thet the British are relatively realistic abont their plece in society and relatively satisfied with it. I remember a survey which was made just after the war, comparing the British and the Americans. The researchers made their own assessment of which eocial class each person they approached belonged in, and asked him for bis own rating of his own position.

Solidarity

In Britain, there was very little difference between the abjective and subjective ratings. In the U.S., nearly half those questioned pleced themselves at least one notch higher than they appeared to be. This, incidentally, confirmed the findings of enother such survey made in the early 1930s.

Now oo the face of it, such findings contrast a realistic and contented people with an ambitious and neurotic ooe; and if the economy ie organieed in such e way thet more than half the population has to do fairly low-grade work, there seems something to be said for this kind of contentment. Unfortunstely, it bas another name: ciass solidarity.

One of the pressures on people who live io working-class areas, as I did for somo years, Is e fear of being thought ambitious or stuck up. It is reflected in relatively harmlese traditions, like the old-fashioned Blackpool blow ont, in wbicb the helidaymakers bsd s positive social dnty to get throogh quite immoderate sums of money In a fortnight (often as much ee £500 lo pre-inflation days) and go bome with nothing. It Is reflected lo puzzling ways, et least to eut-siders, like the tendency of Britisb workers to go absent when they get a pay rise, because they can now cover their needs In less time. It is also reflected in a hostile, we-and-they attitude to employers, officials and others outside the trihe.

The unfortunate result ef class solidarity is that it becomes very difficult to erganise economic progress at more than a snail's pace wbether people want higher material standards or not; and the mere fact that most people are too realistle to dream of being really rich does net at all mean that they are entirely satisfied with what they have.

It is unfortunate thet the successive efferts we have made to adjust, moch too late, to competitive reality since the devaluation of 1967 bave meant that the previooe modest improvement in real incomes has come to a virtual halt; and the subsequent wavee of disputes, 40 per cent wage claims and the rest do not suggest thet people were satisfied with the result.

Hurtful

It is also imfortunately true that a country heavily dependent on imports simply cannot afford to fall too drastically behind the average productive performance of its rivals. The threat is simply that should the terms of trade tend to move against manufactures, as used once to he thought inevitahle, and which recent experience shows et least to be possible, a laggardly natioo will not be ahle to enjoy contented stagnation, but will suffer hurtful absolute falls in its nationel income—the kind of fall which would be confronting us as this moment were it not for the North Sea, and which we will face before the end of this century if we do not somehow generate a little more ambition and performance in the meantime.

This need oot be as impossible as it may sound, because we bave in fact heen nnconsciously reinforcing our own tendencies to stagnetion in meny weys since the war—housing policiee which make for immobility, s tendency to tax "luxuries" and subsidise "necessities" which, together with steeply progressive income tax, is a sure way to destroy incentive.

Changing mistaken policies can help. In the long run, to change people—just as exposure to sharper competition Is visibly changing the previously appalling quality of Britisb management; and fortunately the disasters of recent years have done mucb to make more sensible policies popular.

So It Is very mucb to be boped that surveys displaying our realism and contentment will not shake us back into complacency.

● NEWS ANALYSIS — CORAL'S HOTELS BID

Glamour is revived after the doldrums

BY ARTHUR SANDLES

SUDDENLY THE hotel industry is glamerous again. After a period in the doldrums thanks to the rash of boilding under the joint pressures ef demand and Government grants, it loeks as if London at least will be short of hotel rooms. Profits and investment interest are rising.

Coral Leisure Group's enthusiasm for tha hetel business, displayed in its bld for Centre, comes somewhat later than that of the rival Labroke gambling empire.

Cyril Stein of Ladbroke went into the hetel business in what seemed at the time an unexciting moment. His hotels, three in the Provinces and ono in Belgravia, were opened in the lean years of 1972-74, when the pundits predicted that any recovery would he in the late seventies rather than now.

The reason for the revived interest in hotels is plain enough. A walk through the streets of London provides abundant evidence of the tourist hoom, and more recently the commercial implications of this boom have also become apparent. Trafalgar House bought the Ritz. Arab interests hought the Dorchester and the Chelsea, and Sheraton took over the manegement of the Heathrow Skyllne and the Park Tower. Everyone now wants to be a London boteller.

Centre is one of the broadly-based products of the tourist boom. When the great surge came in the late sixties Centre set out to capture, not the top end of tho market which was attracting so mnch attention, but the middle-range package tour and middle-management business traveller.

It aims to provide basic hut pleasant rooms and service et ao inoffensive price. It owns nine freehold botels, a further 13 on leases of 80 years or mere, and nine on comparatively short leeses. Seven properties are in London, five on long leases or freehold.

The group has been rapidly expanding its hotel management interests internstionally, and runs more than 20 Old Kentucky fast food restaurants in London.

A few years ago this sort of operation would have seemed less attractive than it dees to-day. Only last year many medium-priced hotels were bsving trouble getting a reasonable room rate out of tour operators, and in 1973 and 1974 discounting was eo wideepread as to be ruinous, lliterally, for some groups.

It was not nousual for e botel with a puhlished room rete of £10 a night to charge £5 a night. That is no longer the case. So great is the demand for rooms that boteliers are well able to get their official tariff rate, and give tour companies only e small discount for bulk traffic.

The tariffs have risen sharply. A middle-range single room with bath in London, plus breakfast and a modest dinner with wine, might bave cost £20 last year. This year it would be nearer £25.

The prohlem is, of course, thst this boom is largely tourist-hased. There is still no great rush to buy hotels in the more remote seaside resorts.

Tbe tourist boom, which produced more than 10m. foreign visitors last year and msy involve 11m. this year, is potentially sensitive, and this causes some nervousness in the industry, whatever the present satisfaction.

Fraece, Spain, the Babamas end Ireland bave all seen tourist hooms deflate with surprising speed under economic or political pressure. The West German and Swiss tourist Industries have been endangered by the sheer strength of their currencies.

But the only way to jump on the handwagon at the moment is to buy. Building hotels is widely regarded ae too risky. Lend and building costs beve risen to sucb an extent that it would he difficult to build a Central London botel for much lese than £40,000 a room, and that, using the trevel imidstry's normal rough yerdstick, suggests e room rate of £40 a night. Some botels already charge that rete, but it is still roughly double the norm.

What worries the travel industry st the momeot is thet inflatien will continue apace, but sterling may remain steedy or even harden. This would mean gradual elimination of Britain as an inexpensive destination and a place for bargain-shopping. With the Arah world spending £1,300 a head on visits to the U.K., the loss ef image as least expensive sbopping centre in Europe would be e serious loss Indeed.

Blds and deals, Page 29

Freddie Mansfield

On to another winner?—Mr. Nicholas Coral, chairman of Coral Leisure Group.

GOLF

BY BEN WRIGHT

Spotlight on Spaniards under alpine backdrop

COMO, April 28.

THE SNOWCAPPED peaks of the Alps near the Monticello Golf and Country Club had failed to emerge from the grey gloem as the first round of the truly internatienal Italian Open Championsbip ended here to-night.

The drizzle of the morning gave way to a persistent dewnpour which made the already slow pace ef the greens most deceptive, and the expected spate ef lo wscoring was postponed hy at least e day.

The lead is shared to-night hy five players at two under par 70—the young Scotsman Bill Lonmuir; Ulstermen Eddie Pelland; the local professional Angelo Croce; and two Spaniards, the former wrestler Francisco Ahreu and the talented "Sevvy" Ballesteroe.

Five more players managed to beet par and score 71. They are Peter Townsend, Angel Gallardo (Spain), Andries Oosthuizen (South Africa), Philippe Toussaint (Belgium) and another youngster of promise, the former American Walker Cup golfer Curtis Sstrange, who enjoyed absolotely oo luck et all on the controversial greens, which should be cut mnch closer.

Recent recruit

Nino playera matched par, including Strange's travelling companion, Phil Hancock, the reigning American collegiate champlon who, as a recent recruit to the professional ranks, won the Colombian Open; Scotsman Brian Barnes; Englishman and left-hander, Peter Dawson; two Italians, Delio Lovato and Vinzenco Damonte; the Spaniards Jose Canizares and Salvador Balbuena; John Fourie of Sonth Africa, and Ian Richardson, an Englishman from Worcester, returning to the tour after a five-year absence.

Strange, runner-up to Jack Nicklans in last year's Australian Open, failed to win bis player's cerd at last December's U.S. PGA school in Brownsville, Texas, where he feiled hy a single stroke after dropping shots to par et two of the last three boles in bls final eixth round. Good judges in America regard him as a certain star of the future. His swing already appears te bsve the necessary selidity and rhthym.

To-day Strange told me that he had putts for hirdies on all 18 greens, and heled hut ene, from six feet on the 17th green.

On 73 come two Britons, Tommy Horton and Craig Defey, and the Irishman Arnold O'Connor, the recent winners of the Portuguese and Madrid Opens, Spanlards Mannel Ramos and Antonio Garrido, and Australia'e Ian Stanley, while the defending title-holder Baldovino Dassn from Florence is on 74.

Not only are the challenging British once again mighty thin on tha ground, hut tho Spanish Open winner, Bernard Gallacher, scored 81 and walked ont of the champlenship with little or no explanatien to catch a flight for London. His wife is expecting a second baby and it is obvious that the little Scot'e heart was not on the course this week. Gallacher muttered that he would explain his reasons for qnitting to the British officials on resching home, bot bis questionable conduct has done nothing fer his imege.

Brian Barnes

By contrast, tho Spaniards sre sweeping ell before them, end the old adage about the hungry fighter being the best variety applies perfectly to the host of them wbo are gaining promotion from ceddy to plunder the British end European tour.

Of course, Ballesteros is eastly the most exciting. His policy of constant ettack at all costs continues to pay bandsomo dividends both to himself and those whe watch him. There is nev a dull moment.

In only his fourth tournam of the season since he join the Spanish Air Force January, Ballesteros is hitterly disappointed about continued absence of his ma putting touch ef 1976. When sharpness around the gree returns, it seems certain, there will be no holding again.

Brilliance

To-day Ballesteros, who play the inward half first, got aw te a perfect start of two birdi When he made another at 490-yard 14th hole he looked for a really low score.

"Sevvy" booked his seco shot with a five iron into lake at the 16th hole to take over par six and thus was alm back where he started. Immediately hit back by holi a putt of fully 10 yards fo two at the par three 17th grabbed another birdie with nine iron shot that pulled very close to the second hole.

Ballesteros pulled second sh that missed the sixth and eig greens that caused him to d two more strokes to par. finished with a flourish by hitt the green that was out of ra to most of his rivals at 510-yard ninth hole, with a th wood second ehot for e fi birdie.

Abren has an unconvinc etyle that prodnces its quota wildly hooked ehots, bnt power is tremendous and he capahle of bursts of brilliar One was required to-day. the big fellow reached the tr in 38 shots, and Abreu duly duced it.

He bit the green at the yard 11th hole with a five- for the first four birdies, tricated bimself from s buna soperbly for another at the 14 wedged to six feet for s birdie at the 15th, and boled from similar distance for a two at 17th to save his dey.

Towards the end of the Angelo Croce, former Ital ameteur international and professional et the nearby Pinetina Clob, brought in a to share the lead. Andries Oo bnizen of South Africa score 71, and big Brian Barnes pr a 34 for the inward half could secure him an outr lead, since be bad the e nine holes left.

RACING

BY DOMINIC W

Lute has little to beat

VINCENT O'BRIEN and Lester Piggett hed anether afternoon they will want to forget at Newmarket yesterday. The 6-4 favourite, Cloonlara, showed little relisb fer a struggle in the One Thousand Guineaa, won by Mrs. McArdy.

Always well-placed after a quick hreak, Cleonlara, who, witb Freeze the Secret, sppeared the pick of the field in the paddock, refused to ge throngh with ber effort inside the finel furlong.

Swisbing ber tail ominously end banging out towarde the centre of the course, she wae deprived of thlrd prize in the finel strlde by Sanedtki.

Mrs. McArdy, an easy winner of the Tote Free Handicap, never really looked like being troublled by the runner-up Freeze the Secrct in the final furlong. Sbe is top quoted at 16-1 by the Tote for thc Epsom Oeks.

The unbeaten Maggydamus feces bls stiffest task to dete In this afternoon's five-furlong Gilslend Stakee at Newcastle, and it will be interesting to see if he proves up to galning his fourth victory within a month.

An easy winner at Catterick on March 30 and again when disposing of Brigbt Charlie in a £1,200 event at Ayr five days later, Maggydamus probably pot up his best performance to date last time ent when making all his own running to land the Cambois Stakes et the Bank Holiday meeting here.

Fast eway in the Cembois, Maggydamus, a 9-2 on faveurite, never looked like being tackled and passed the post seven lengthe ahead of the runner-op, Hadera, who in turn bad plenty to spare over Touch of Dutch.

If, as seems probable, Maggydamus still has plenty of improvement in him, be should land this prize in emphatic style before going on to better things.

The two other recent winners, Maysus and Staverton, se booked for the minor berths.

As expected, Mrs. McArd rider, Edward Hide, the parti of Maggydamus, bas collecte number of promising-look mounts including the once-ra Lnte end Ien Walker's Rapide

The first from this pair to ru is Maggydamus' stablemate, L whe eppears to have little beat In the opener, the Blan land Maiden Fillies Stakes.

Just over e fortnight ago, t brown Tudor Mnsic filly put u bighly oncouraging display Ripon: running on well cl. bome to finish third of 18 beh Herrings Well and Sharp Pad the Fountains Stakes.

The expected improvem should see ber getting off mark in emphatic style.

In coptrast to Lnte, the Pearl colt Rapide hes a assignment in front of him. Henshaw Stakes opponents clode last year's Yorkshire C fifth, Mayp Girl.

Rapide, who kept on with ntmost gameness to peg Night Porter in a 20-runner at Nottingham recently, another on the upgrade. I bel that he may be capable of u ting Henry Cecil's reportedly backwerd filly.

NEWCASTLE
2.30—Lute***
3.00—Bargate Lady
3.30—Coded Scrap
4.00—Maggydamus*
4.30—Jacyking
5.00—Rapide**
BEVERLEY
2.45—Dam Water
3.15—Seven Winds
3.45—Macclesfield
STRATFORD
3.30—Cawstons Prince
4.00—Stone Thrower
4.30—Notification

SALEROOM

BY ANTONY THORNCROF

Record price for Fabergé egg

A RECORD auction price of £125,000 was paid at the Hotel Richmond, Geneva, on Wednesday night for one of the celebrated Fabergé Easter eggs, the traditional gift between members of the Imperial Russlao family.

Given by tho Tsarina Alexandra to Tsar Nicholae II in 1913 to celebrate three centuries of Romanov rule, the egg is inset with a miniature portrait of the Tsarine, and opens to revcal en equestrian portrait of the Czar.

It wes the highlight of a Christie's auction of Russlen works of art which totalled £565,711. The previous record for e Fabergé agg was the £82,686 paid et a Geneva sale organised by Christie's in 1973. Not surprisingly, the buyer on Wednesday was e Middle Eastern deeler.

Other geed prices in the sale were the £8,363 for a large Fabergé enamelled silver-gilt frame; £7,272 fer a miniature striated agate figure of a tiger; snd £5,909 for a Fahergé rectangular enamelled geld tablecloth. The samc sum secured a Febergé cnamelled gold frame.

In London, Christie's auction of 19th-century furniture and carpets brought in £63,477. A Carrara marble figure of Hebe by John Gibson, sold for £4,500 to Suita, a Japsnese dealer, while the London dealer Katz paid £4,200 for a bronze figure of St. George by Sir Alfred Gilbert.

At a Glendining coin sale, Spink paid £7,800 (almost twice the estimate) for a rare complete collectien of Maundy coins, comprising 215 sets from Charles II to Elizabeh II. Baldwin gave £4,000 for a collection of 261 enamelled coins from 1874 te 1915.

Sothehy's sold silver for £148,362. Horowitz, a New York dealer, hought a pair of George II tea caddles, made by Paul de Lamerie, for £8,500. Humphreys and Glasgow ef London peid £8,000 for a Charles II cylindrical tankard. A Paul Storr Georec III oval soup tureen went for £5,200.

In an Americana auction in New York, which totalled £59,331, a Canton hloe and white 19th-century part dinner service sold for £2,034. A London dealer secured a Chinese export shipping punch bowl, made for the British market, and decorated with a view of the Battle ef the Saints ef 1782, for £1,889.

Bonham's achieved some goed prices in its furniture eale, which realised £83,795. A Louis XV kingwood and tulipwood commode sold for £5,000 to Mercier. Gordon bought a set of 18 George I-style walnut dining chairs for £4,600. Bonham's picture enction totalled £31,672, with more than £14,000 paid for frames.

Outside London, a jewel sale by Lawrence of Crewkerne brought in £70,890. A Ge emerald and diamond h with a six-carat emereld, £11,500. Malhams of Ox general auction totalled £1 with nine Portuguese co carved chairs selling for £2

A Fabergé egg sold Christie's in Geneva £125,000.

TV Radio

† Indicates programme in black and white

BBC 1

6.40-7.55 a.m. Open University (UHF only). 9.40 For Schools, Colleges. 10.45 You and Me. 11.05 For Schools, Colleges. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 Playboard. 2.02 For Schools, Colleges. 3.20 Glas y Dorlan. 3.53 Regional News (except London). 3.55 Play School. 4.20 Inch High Private Eye. 4.40 Animal Marvels. 5.35 Fred Basset.
5.40 News.
5.55 Nationwide (London and South-East).
6.20 Nationwide.
7.00 The Tom and Jerry Show.
7.10 The Fantastic Journey.
8.00 It's a Knockout.
9.00 News.
9.25 Harry O.
10.15 Tonight (Londoo and South-East).
10.45 Regional News (except London).
10.46 Come Dancing.
11.26 The Friday film: "Judith," starring Sophia Loren.

All Regions as BBC 1 except at the following times:

Wales—1.45-2.00 p.m. Sioncyn Sboncyn. 5.55-6.20 Wales To-day. 7.05 Heddiw. 7.25 Tom and Jerry. 7.35 Twndisb (series of Welsh "pop"). 9.25 Omnibus. 10.15 Kane on Friday. 10.45-10.46 News for Wales.

Scotland—5.55 p.m. Reporting Scotland. 6.25-6.35 Party Political Broadcast on behalf of the Scottish Netional Party. 9.25 Current Account. 9.55 Harry O. 10.45-10.46 News for Scotland.

Northern Ireland—3.53-3.55 p.m. Northern Irelsnd News. 5.55-6.20 Scene Around Six. 10.15 The Gig in the Round. 10.45-10.46 News for Northern Ireland.

England—5.55-6.20 p.m. Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands To-day (Birmingham); Points West (Bristol); South To-day (Southampton); Spotlight Sonth West (Plymouth). 10.15-10.45 East (Norwich) Newscue; Midlands (Birmingbam) Mother Muffin's Music Stand; North (Leede) Press Club; North East (Newcastle) Friday North: North West (Manchester) Champlon Brass; South (Southampton) And Then What Happened . . .: Sonth West (Plymouth) Peninsula; West (Bristol) Life Story.

BBC 2

6.40-7.55 a.m. Open University.
11.00 Play School.
4.55-5.45 p.m. Open University.
6.10 Open University.
7.00 News on 2 Headlines.
7.05 Model World.
7.30 Newsday.
8.05 Gardeners' World.
8.35 The Money Programme: Tbe price of tea.
9.00 Call my Bluff.
9.30 Inside Story.
10.15 Esther Waters.
11.10 Lata News on 2.
11.20 Snooker.

BBC 2, Scotland only—11.20-11.30 p.m. Party Political Broadcast on behalf of the Scottish National Party. 11.30 Join BBC 2 Snooker.

LONDON

0.30 a.m. For Schools. 12.00 A Handful of Songs. 12.10 p.m. Rainbow. 12.30 Those Wonderful TV Times. 1.00 News plus FT Index. 1.20 To-day's Post. 1.30 About Britain. 2.00 Money-Go-Round. Good Afternoon. †2.25 Friday Matinee: "Murder Ahoy." 3.45 The Cedar Tree. 4.15 The Ghosts of Motley Hall. 4.45 Magpie. 5.15 University Challenge.
5.45 News.
6.00 London Looks Forward.
6.35 Crossroads.
7.00 Beryl's Lot.
7.30 Backs to the Land.
8.00 Hawaii Five-O.
9.00 Raffles.
10.00 News.
10.30 Police 5.
10.40 Russell Harty.
11.40 Police Surgeon.
12.10 a.m. From a Bird's Eye View.
12.40 Close: Dannie Abse reads one of his poems.

All ITV Regions as London except at the following times:

ANGLIA

1.25 p.m. Anglia News. 2.25 Cash and Company. 3.20 Dear Evelyn Home. 5.15 The Challenge of the Sexes. 6.00 About Anglia. 7.00 Backs to the Land. 7.30 Sale of the Century. 10.30 Probe in Strasbourg. 11.00 Mystery Movie—McCoy. 12.45 a.m. Men Who Matter.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 2.25 Movie Matinee: "One Way Street." 5.15 Friday's People. 6.00 ATV Today. 7.30 Emergency. 0.30 Sale of the Century. †10.30 The Tough Guy Movie: "Attack!" starring Jack Palance. 12.25 a.m. Something Different.

BORDER

†1.20 p.m. Border News. †2.25 Friday Matinee: "Devil on Horseback," starring Googie Withers. 5.15 Out of Town. 6.00 Border News and Lookaround. 6.25 Party Political Broadcast on behalf of the Scottish National Party. 7.30 The Bionic Woman. 8.30 Sale of the Century. 10.30 Springsport. 11.00 McMillan and Wife. †12.35 a.m. Border News Summary.

CHANNEL

†1.18 p.m. Channel Lunchtime News and What's On Where? 2.25 The Friday Matinee: "Rouse of Menace." 5.15 University Challenge. †6.00 Report At Six. 7.00 Treasure Hunt. 7.30 The Six Million Dollar Man. 8.30 Beryl's Lot. †10.28 Channel Late News. 10.32 Late With Dantoo. †10.50 Late Night Movie: "13 Rue Madeleine." 12.30 a.m. News and Weather in French.

GRAMPIAN

9.23 a.m. First Thing. 1.20 p.m. Grampian News Headlines. †2.25 Friday Matinee: "Sally's Irish Rogue," starring Julie Harris. 5.15 University Challenge. 6.00 Grampian Today. 6.25 Party Political Broadcast on behalf of the Scottish National Party. 7.00 Happy Days. 7.30 Studio "A" Starring. 8.30 The Electric Theatre Show. †10.00 Late Night Movie: "Age of Consent," starring James Mason, followed by Road Report. 12.15 a.m. Reflections.

GRANADA

1.20 p.m. This is Your Right. †2.25 Friday Matinee: "The Green Man," starring Alastair Sim. 5.10 This is Your Right. 5.15 Crossroads. 6.00 Granada Reports. 6.25 Kick Off. 7.30 Space 1999. 8.30 Sale of the Century. †10.30 For Adults Only—"A Town Like Alice," with Peter Finch. 12.35 a.m. Aspects of War.

HTV

1.20 p.m. Report West headlines. 1.25 Report Wales headlines. 2.00 Women only. 2.25 The Friday Matinee: Barnacek. 5.15 Sinbad Junior. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Paradise Island. 7.30 The Bionic Woman. 8.30 Sale of the Century. 10.35 Report Extra. 11.05 The late film: "The Disorderly Orderly," starring Jerry Lewis.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 6.15-6.45 Taro'n nlaen 6.00-6.15 Y Byd. 6.30-7.00 Darkness and Danger. 10.35-11.05 Outlook.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West headlines. 6.15-6.30 Report West.

SCOTTISH

†1.25 p.m. News headlines and Road and Weather report. 2.00 Women only. †2.25 Friday Matinee: "Devil On Horseback," starring Googie Withers. 5.15 Take Kerr. 5.20 Crossroads. 6.00 Scotland Today. 6.25 Scottish National Party broadcast. 6.35 University Challenge. 7.05 The Fosters. 7.35 The Bionic Woman. 8.30 Bryan Taylor—The First Time. 10.30 Ways and Means. 11.00 Late Call. 11.05 TV Movie: "Dead Men Tell No Tales."

SOUTHERN

1.20 p.m. Southern News. 2.00 Women Only. 2.25 Friday matinee: "A Tattered Web." 5.15 Week-end. 5.20 Crossroads. 6.00 Day by Day (Channels 6, 11, 27, 42, 53 and 60). 6.00 Scene South East (Channels 10, 43, 64 and 88 only). 6.30 Onto t Town. 7.30 Sale of the Century. 8.00 Howoll-Five-O. 10.30 A Southern report. 11.00 Twilight People. 12.20 a.m. Southern News extra.

TYNE TEES

8.25 a.m. Starting Point. 8.30 Good Morning North. 8.45 Mister Trimble. †9.00 Peyton Place. 1.20 p.m. North-East News and Lookaround. †2.25 Friday Film Matinee: Devil on Horseback, starring Googie Withers and John McCallum. †5.15 The Addams Family. 6.00 Northern Life. 7.30 The Bionic Woman. 8.30 Sale of the Century. 10.30 Sportstime. 11.00 The Friday Night Film: Ironside. 12.30 a.m. Open Bible.

ULSTER

1.20 p.m. Lunchtime. †2.25 Friday Matinee: Lassie Hall. 3.43 Ulster News Headlines. 5.15 The Woody Woodpecker Show. 6.00 Ulster Television News. 6.05 Crossroads. 6.30 Reports. 6.50 Police Six. 7.30 Space 1999. 8.30 Sale of the Century. 10.30 Sportscast. 11.00 Friday Film: The Spy Killer. 12.20 a.m. Bedtime.

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. †2.25 The Friday Matinee: House of Menace. 5.15 University Challenge. 6.00 Westward Diary and Sports Desk. 7.00 Treasure Hunt. 7.30 The Six Million Dollar Man. 8.30 Beryl's Lot. 10.28 Westward Late News. 10.35 Late With Dantoo. †10.50 Late Night Movie: 13 Rue Madeline, starring James Cagney. 12.30 a.m. Faith For Life.

YORKSHIRE

8.30 a.m. Good Morning Calendar. 8.45 Mister Trimble. 9.00 Peyton Place. 1.20 p.m. Calendar News. †2.25 Friday Film Matinee: "Devil on Horseback." 5.15 Calendar Sport. 6.00 Calendar (Emley Moor and Belmont editions). 7.30 The Bionic Woman. 8.30 Sale Of The Century. 10.30 Paul Daniels at the Wheeltappers. 11.00 The Friday Night Film: "The Priest Killer."

RADIO 1

247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.02 Noel Edmonds. 9.00 Simon Bates including The Golden Hour. 12.00 Paul Burnett including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 It's D.L.T. OK! including 5.30 Newsbeat 7.00 Funny You Should Ask (joins Radio 2). 10.02 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2

1.500m and VHF

6.00 a.m. News Summary. 6.02 (plus Berry (S) including 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin. 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.50 p.m. Sports Desk. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1500m. only (also 202m. Scotland). 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Funny You Should Ask. 7.30 Twenty-Five Years (S). 8.02 Frank Chacksfield conducts the BBC Radio Orchestra (S). 9.02 Friday Night Is Music Night (S). 10.02 Sports Desk (1500m. only, also 202m. Scotland), VHF joins Radio 1). 10.05 Jim Mackeod and his Band (1500m. only, also 202m. Scotland. VHF joins Radio 1). 11.02 Len Jackson with The Lats Show (1500m. only, also 202m. Scotland. VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3

464m, Stereo & VHF

‡ Medium Wave only

‡6.55 a.m. Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert 151. 9.00 News. 9.05 This Week's Composer: Villa-Lobos. 9.50 BBC Northern Ireland Orchestra, part 1 (S). 10.35 Choral Music (S). 11.15 In Short (talk). 11.25 Concert (S) part 2. Midday Concert part 1 (S). 1.05 Playbill (S). 1.20 Midday Concert part 2 (S). 2.05 Royal Repertoire (S). 3.20 Rudolf Van der Meer song recital (S). 4.00 Elgar's Hidden Years (S). 4.45 The Young Idea (S). ‡5.05 Homeward Bound. ‡6.05 News. ‡6.20 Homeward Bound (continued). ‡6.30 Lifelines: Leisure and Recreation. 7.30 Music from Pebble Mill, part 1 (S). 8.10 A View of the Pompidou Centre (talk by Mark Girouard). 8.30 Concert part 2 (S). 9.20 Elected Friends: portrait of Edward Thomas (S). 10.15 Roger concert (S). 10.45 Music Now. 11.25-11.30 News.

Radio 3 (VHF only)—4.20-7.00 a.m. and 5.45-7.30 Open Oniversity.

RADIO 4

434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming To-day. 6.40 Prayer For The Day. 6.45 To-day. 7.00 News and more of To-day including Sports News. To-day's Papers, and 7.25 (VHF) Regional News. 7.40 Thought for the Oay. 8.00 News and more of To-day including 8.25 (VHF) Regional News. 8.45 Yesterday in Parliament. 9.00 News. 9.05 Voice of the People. ‡10.00 News. ‡10.05 Checkpoint. 10.30 Oaily Service. ‡10.45 Morning Story. ‡11.00 News. ‡11.05 The House of Windsor. 12.00 News. 12.02 p.m. You and Yours. 12.27 Just a Minute. ‡12.55 Weather, Programme news. VHF (except London and S.E.) Regional News. 1.00 The World At One. 1.30 The Archers. 1.45 Women's Hour (from 2.00) from Birmingham including 2.00-2.02 news. 2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre (S). 4.00 News. 4.05 Any Answers? 4.35 Story Time. 5.00 PM Reports. ‡5.50 Financial Report. VHF Regional News. 5.55 Weather: programme news. 6.00 News. 6.15 The Enchanting World of Hinge and Bracket. 6.45 The Archers. 7.00 News. 7.05 The World In Focus. 7.30 Pick Of The Week. 8.30 Any Questions? 9.15 Letter From America. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World To-night. 10.45 A Book At Bedtime. 11.00 The Financial World To-night. 11.15 To-day in Parliament. 11.25 Week Ending . . . 11.58 News.

For Schools (VHF only)—9.00 a.m., 12.00 and 2.00-3.00 p.m.

BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.00 Lobby. 9.30 Richard Vaughan with London Live. 11.03 Jenny Thompson and Diana Rice with In Town. 12.03 p.m. Call In. London News Desk. 2.03 Paul Owens with 206 Showcase. 4.03 Home Run. 6.10 London Sports Desk. 6.35 Good Fishing. 7.00 Look, Stop, Listen. 7.30 Jenny Thompson and Diana Rice with In Town (as 11.03 a.m.). 8.30 Black Londoners. 10.03 Andy Finney with Single File. 12.00—Close: As Radio 2.

London Broadcasting

261m and 97.3 VHF

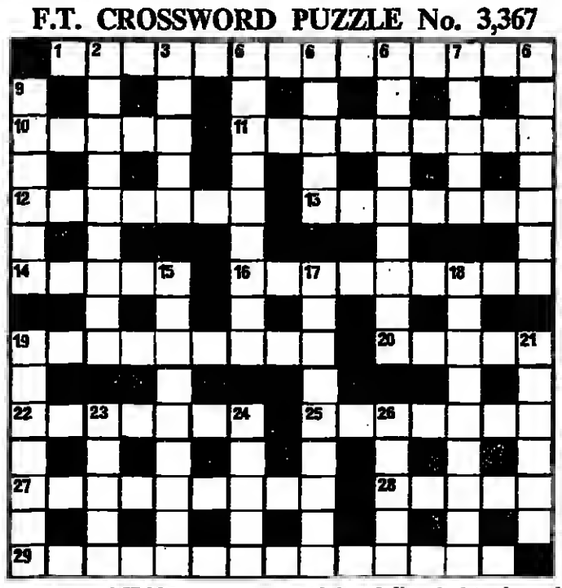
6.00 a.m. Morning Music. 6.00 "A.M."—Breakfast-time show. 10.00 Brian Hayes. 12.05 p.m. The Midday Report with Alan Clark. 1.30 Claire Rayner and Vivian White. 4.45 The Afternoon Report. 5.30 Newsbreak. 8.00 Music in Stereo. 9.00 David Bassett. 1.00 a.m.-5.30 a.m. Nightwatch—News every half-hour through the night.

Capital Radio

194m and 95.8 VHF

6.00 a.m. Graham Dene. 9.00 Michael Aspel. 12.00 Dave Cash. 3.00 p.m. Roger Scott. 7.00 Lord George-Brown's Capital Commentary, and London To-day. 9.00 Your Mother Wouldn't Like It. 11.00 Mike Allen's Late Show. 2.00 a.m. Night Flight.

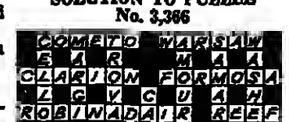
F.T. CROSSWORD PUZZLE No. 3,367



ACROSS
1 One man and his dog maybe or just another man (6, 8)
10 Beam about being abstinent yet irritable (5)
11 River chaps get in at will (9)
12 Ruler getting on in March (7)
13 One who gives in and gives out (7)
14 Rigid as e corpse? (5)
16 Kept down work newspapers put to editor (9)
18 Pore over offer made by opponent (9)
20 Sounding part of it on a lute (5)
22 Aeroplane landing with a right 19 (7)
25 Make a fresh reqnest to gather in a fold (7)
27 Mix with fat and bury the French way (9)
28 Soft ona in the ocean could be a cuttlefish (5)
29 Eldorado or a source of rich poems (6, 8)

DOWN
2 A bit added without stretching (9)
3 Course for a builder (5)
4 Guard on oath gives a rallying cry (9)
5 Giving religious instruction before going to heaven could be dangerous (5)
6 Degradatien in a cellar (9)
7 Upper-class hang in the balance hut stand upright (2-3)
8 Oriental disturbed tender and went in (7)
9 The first stove (6)
15 The reverse ef 29 and defying metrie laws (4, 5)
17 Bird with separate crest . . . (9)
18 . . . and another bird starts singing with Scottish musician (9)
19 Cleaning station with a cross (7)
21 Cover chap—a non-professional (6)
23 Ruhhish ene left in the course ef duty (5)
24 The smallest meadow one way (5)
26 Perhaps is concealing an orbital point (5)

SOLUTION TO PUZZLE No. 3,366



هكذا من الاصل

Covent Garden

La traviata by MAX LOPPERT

Illness dealt the Royal Opera *Traviata* revival an almost clean hand on Wednesday, replacing conductor and two of the three principals. As sometimes happens on such occasions, the performance was often dramatically keyed-up and alive, with quickened interest and wits to compensate for any want of rehearsed smoothness. Indeed, despite the familiar obstacles placed in the way of native Verdian warmth by the Visconti-Frasca-Marzot visual conception, there was encouragement, considerable if not complete, to by-pass them.

Sylvia Sass, the young, tall, comely Hungarian soprano, an exceptionally graceful actress with long arms and expressive high cheekbones who first appeared here in last year's *I Lombardi*, is Violetta. She soon banishes fears of "make-do" with her very definite and ambitious, if as yet only partly achieved account of the role. Any soprano capable of ringing so many delicate and musicianly changes on the art of soft singing must win immediate favour. Of special note among countless details in her Act 1 solo were the cadenzas on "vortici" that twice took her to a fine soft D flat above the stava, not only exquisite but dramatically apt; a long slow diminuendo in Act 2 on the words "col pentimento mio" brought a lump to the throat.

But Miss Sass is still an imperfectly finished singer. Along with these lovely, gentle sounds, ethereal, blanched, pointed with pathos, there were heard some scorching, scaring loud tones, with little evidence of mid-ground between extremes or resources to spare, and often a bottlenecked quality, somewhere at the back of the throat, that transformed beauty to ungainliness in a flash. The peculiar placing of the voice may also explain its vagaries—they were many—with words, which came and went far too much for the good of dramatic eloquence. "Ah fors è . . ." it began, but only faith and memory can tell how it went on. At such points, we wanted someone already so good to be much, much better.

So the serious, courageous pessimism tempered by profound faith, a quality so movingly discovered in the role and the opera, and described by Massimo Mila, was only fitfully evidenced in last night's performance. It tended to be brushed aside by Alfredo Kraus's Alfredo, whose dapper elegance removed things to a lighter plane, especially at the end of "O mio rimorso," when, having flung an eternal top C into the audience, he returned briefly to wave and blow it kisses. (It must be said that Mr. Kraus was in glorious voice, with phrase after phrase lifted and pointed in his cleanest, tautest style, and clarity of words to shame his Violetta's mushiness.)

Then, with the first vision of his father, in the distinguished form of the Italian baritone Renato Bruson (the only originally scheduled participant to materialise), Mila's words suddenly came fresh to mind. There was a severe magnificence about Bruson's singing, a very Italian aristocratic reserve honed by the immaculate fusion of tone and word, that put the listener in fresh contact with the opera's special kind of revolutionary intimacy. "Pura siccome un'angelo" was one long phrase, unfolded with fine regard for the pressure of emotional sense on verbal colour that never deformed a clear legato line. The voice is steady, not huge, but able to suggest deep, pained warmth of feeling. His bearing was erect, his demeanour always striking in restraint. We must see and hear his Simon Boccanegra.

This many-sided, disorganised but still interesting *Traviata* was held together by the French conductor Jacques Delacôte, who, with presumably less rehearsal than he might like, contrived to suggest that he was at one with singers and production unusually and skilfully often. At first he was apt to chivy the party along; with Bruson's appearance, he then revealed himself an accompanist with the taste to let so natural a Verdian mould his lines unhindered. Strings gained bloom; there was a pinched, mean-sounding oboe. Some of the Royal Opera's best young men (Robert Lloyd, Robin Leggate, Jonathan Summers) took smaller roles; as Flora, Joan Davies seemed rather heavily jolly.

Book review

The virtuoso as artist

by CLEMENT CRISP

Barishnikov at Work: photographs by Martha Swope; text edited by Charles Engell France. A. and C. Black, £15.00, 250 pages

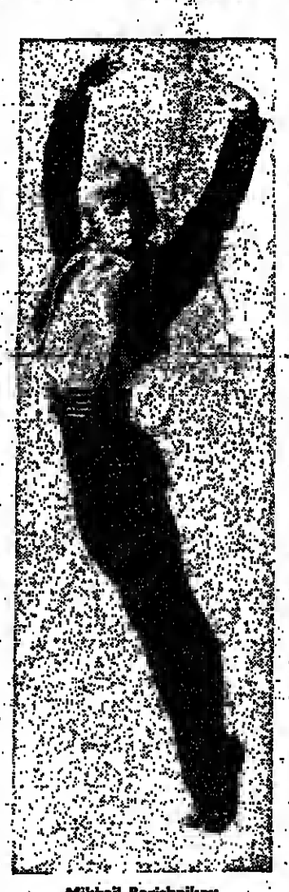
We are always curious to know what makes a great artist tick—what the motivation; what the problems; what the ideals. Here, as the most convincing answer to those questions for a balletgoer, is an exceptional book. It is exceptional in several ways: as a photographic record of a star dancer; as a detailed analysis of his thoughts and perceptions about dancing; and as a piece of book production.

Mikhail Barishnikov opted to stay in the West during the summer of 1974 while on a Canadian tour with a Kirov/Bolshoy concert group. He had already been recognised as a phenomenon of the dance—a virtuoso performer in whom the aristocracy of Leningrad training was allied to a strong dramatic presence—and his choice of greater artistic opportunities than he could envisage in Russia has brought him an extraordinary range of roles in the two years since then. Most of these have been with American Ballet Theatre, but he has also danced in Europe and Australia, and his Royal Ballet appearances—as Siegfried, Romeo, Colas—have shown us an artist of prodigious gifts.

All his work during these Western years—no less than 26 roles—has been photographed by Martha Swope, and it suffices to say that her talent is able to do justic to Barishnikov. The book's multitude of pictures are a vivid guide to Barishnikov as dancer; for text, we have Barishnikov the artist talking about his roles at length, in a skilled commentary that has been edited and assembled by Charles Engell France.

The result, handsome to look at, is the first full portrait of a male dancer in his prime that I know of, without compromise, or fudging, or critic's excuses. If we are excited by the immediacy of Miss Swope's photographs—which catch their subject at the right moment with splendid sureness — how much more illuminating are Barishnikov's comments which fill out the image on the page.

From *La Sylphide* and *Giselle* up to the most recent *Push Comes to Shove* and *Other Dances*, he demonstrates an approach to his work that combines deep and seemingly intuitive perceptions with assessments most carefully judged about choreography and roles. Here he is talking about his difficulty in adjusting to Twyla Tharp's style when preparing the triumphant *Push*. "I always had the feeling in the beginning that I was out in a boat that had no sail, doing forbidden things. She herself moves so beautifully, and there she was asking me to do it too. It was like a professional flautist saying to a professional pianist: "You're a musician. Here, play the instrument the way I do." Except that while Twyla and I have basically the same instrument, my tone is not as beautiful as hers, for her music."



Mikhail Barishnikov

Throughout the book, Barishnikov's commentary is evidence of an intellectual concern about dancing quite as remarkable as the physical powers he brings to it. I found that the single most revealing comment was in his preface, in which he pays tribute to his teacher, the late Alexander Pushkin of the Kirov school. "He taught me about the difference between technique—dancing in the class-room—and *real* dancing." It is this, and his appreciation of Pushkin's insistence upon an understanding and shaping of one's essential identity as a dancer, which tell a great deal about Barishnikov's present stature. And as one studies the pictures, from the fine series on *Giselle* (with Makarova also wonderfully caught as the heroine) to some extraordinary shots of *Le Jeune Homme et la Mort*, Barishnikov's genius for dancing (and I would rank it no lower) is absolutely clear.

One puzzle: the section on Jacobsen's *Vestris*—in which we first saw Barishnikov in 1970—nowhere makes it clear, if indeed it is clear to anyone, whether the character is supposed to be Gaetano, the father, or Auguste, the son. (It is not probable that it is Armand, neither holy nor ghostly, but merely the grandson.)

German theatre

Der Snob by RONALD HOLLOWAY

By some casual oversight, *The Penguin Dictionary of the Theatre* forgot to mention the name of Carl Sternheim. Apparently, he is rarely played in the English translations. In Germany, however, the witty, delicate, and high-blown language in *Der Snob* has made it a favourite in repertoire theatres for over 60 years.

Sternheim, together with Frank Wedekind, anticipated expressionist drama and the horrors of the First World War. His most delightful and pungent comedies, *Bürger Schippel* and *Der Snob*, were written on the eve of that war, in 1913, and he was never to create anything better afterwards. He considered himself a "modern Molière," after the playwright he admired most. To Sternheim's credit, his comedies on the Maske family—*Die Hose*, *Der Snob*, *1913*—give him a right to that generous pat on the back.

Der Snob is a play which leans heavily on its title-role. In the immediate post-war years Gustaf Gründgens as actor-intendant put Düsseldorf on the map, at least so far as the avid theatre-goer and critic were concerned. About a decade ago, Boy Gobert tickled Viennese audiences with his version—the comedy was his calling card when invited to Hamburg to manage the Thalia Theater. Of the versions of *Der Snob* (and other Sternheim plays I have seen) this play seems to fit the grandeur and expansive roominess of the subsidised "big house" and the suave actor with a command of the German tongue.

The Düsseldorf production, regrettably, is about three sizes too small. Arthur Mentz as the elder Theobald Maske is appropriate as the stuffy, provincial bourgeois with awkward manners and a leer in his eye. His son, Christian Maske, does not fare as well in the hands of Hans Christian Rudolph, who plays the social upstart refined by the coaching of his mistress like a cut-man from the Ruhr Underground. The predatory viciousness of the Maske prototype fades into the furniture after the first act.

What remains is the speech and a neatly over-exaggerated, pompous set (A. Christian Stelof), the stylised aspirations of the little man clawing his way up. Most of the opening scenes are spoken thoughts against this background, rehearsals for conversations with the Count, the Snob's future business partner and father-in-law, which always come off as fractured, farcical, wicked comments on a decayed and materialistic society. These double-edged lines keep the play moving, particularly after the Snob has dumped his mistress and sent his father off to Zürich in retirement just to keep him out of sight.

Der Snob had its British equivalent in our own time in Jack Clayton's film, *Room at the Top* (1958), a post-war comment on money and ambition, sex and cunning.

For some reason, perhaps because of the times, the rise of a petty crook to a dangerous position of power and influence fascinates each generation when the means are available. Molière, too, is a much more interesting comic talent through the eyes of Sternheim.

Cinema

Devil's domain by NIGEL ANDREWS

The Sentinel (X) Plaza

Five Women Around Utamaro ICA

Throw Away Your Books, Let's Go Into The Street Electric Portobello Road

21 Hours At Munich (AA) ABC Shaftesbury Avenue

Je T'Aime Moi Non Plus (X) Cameo Moulin

Hardcore (X) Classic Moulin

The Harder They Come (X) Film Centre and Screen Islington Green

Satan is with us again. The Devil and all his works are on view at the Plaza cinema this week, and if your stomach stood up to The Exorcist, or enjoyed being turned by it, you will probably thrill once more to the excesses of Michael Winner's The Sentinel. Wrist-cutting, masturbation and disfigurement are among the items chosen for your enjoyment here; rounded off with a Walpurgismacht finale in which our heroine is pursued through a darkened house by a posse of freaks — dwarfs, amputees, macrocephalics and Mongolians — who are supposed collectively to embody the Forces of Evil.

Now that public hanging and bear-baiting are no longer available as entertainment for Londoners, the cinema of Diabolism seems to have leaped into the breach as everyone's favourite showcase for sadistic spectacle. Operating in compensation for the fact that the spectacle is not real are the size and immediacy of the filmic image. When blood is virtually spurting over the camera lens, it is pendantic to complain that it is not real blood; or that the old gentleman who is rash enough in one scene to frighten our heroine does not *actually* have his eye gouged out and his nose sliced off with a kitchen knife. The makers of *The Sentinel* have made fewer pious noises about their product than the makers of *The Exorcist* ("an apostolic work") or of *The Omen* ("God is using the movie industry to-day"), but the approach is equally two-faced: preaching the strength of love and the power of the Christian faith but practising with a partial and fearsomely energetic glee their blood-boltered opposites.

Once again Satanic persecution is seen as the lot of the rich and privileged. (Is there a parable of social justice contained here?) We had a movie star in *The Exorcist* and an American ambassador in *The Omen*: in *The Sentinel* we have a wealthy advertising model (Christine Raines), who moves into a gloomy apartment house on Brooklyn Heights and begins to be disturbed by the eccentricity of her neighbours. As who would not, when surrounded by such exotic co-tenants as a middle-aged Lesbian in carnival tights (Sylvia Miles), a blind priest who never leaves his room (John Carradine) and a prancing, pixie-like homosexual (Burgess Meredith)?

When things start to go bump in the night, and she is visited one evening by the ghost of her dead father (he it is on the receiving end of the kitchen knife), she summons her boy friend (Chris Sarandon) to her assistance and he starts to investigate. Why does the blind priest sit forever immobile at his top-floor window? Do the girl's other neighbours actually exist? What is the meaning of the Latin inscription our heroine finds in an old book? . . .

*

Even by the standards of cut-price religiosity and slick horror set by *The Exorcist* and *The Omen*, *The Sentinel* is a surpassingly vulgar and vacuous achievement: 80 minutes of busily spooky plot build-up for 10 minutes of eye-rolling, ketchup-spraying mayhem. American filmgoers were reportedly carried out screaming and fainting from the film. But American audiences seem to take more readily than British ones to the strident and the hyperbolical (cf. *Network*), and with any luck or discernment at all British filmgoers may give this film the thumbs-down it deserves, and that for the cinema's Devil industry as a whole has become long overdue.

Christina Raines and Burgess Meredith in 'The Sentinel'

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It is a short walk from the Plaza to the ICA, so if you do go to see The Sentinel go and wash your mind out afterwards by seeing Mizoguchi's *Five Women Around Utamaro*. Like The Sentinel it is a film about the struggle between order and chaos; but in this case it is the order of Art versus the chaos of Life, and the struggle is depicted with an intelligence and humanity that are worlds away from the fleapit sensationalism of Winner's film. Mizoguchi's classicism, enshrined and refined in such films as *Sansho Dayu*, *The Tale of O-Haru* and *Chikamatsu Monogatari*, shows a love at once for the complex variety of life and for the way that variety resolves itself into the emotional patterns and repetitions that give life and history meaning.

Mizoguchi's hero is the real-life Japanese painter Utamaro (whose work was recently exhibited at the ICA gallery), and the film shows how his art was shaped by the disparate experience of his own life and that of his friends, his students and his womenfolk. The story embolders freely on history, but the film's five woman all have their real-life basis in Utamaro's life and work—including the famous fisher girl—and the film's majestic pictorial beauty is complemented by the warmth and spontaneity of the characterisation and performances.

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It puts conclusively in the shade the week's other Japanese film *Throw Away Your Books, Let's Go Into The Streets*. Made in 1971 by Shuji Terayama, this film has the worn and weary look of an ageing youth movie: a collage of late '60s trendiness in which passages of whirling-Dervish camerawork and Fellini-esque exoticism alternate with dour Godardian alienation tricks of the "This is only a film" variety. The slender story of a young boy's attempts to shuffle off the emotional coil of his home and family and find his own identity in the outside world is stretched with Procrustean agony into a two-hour film: any simple strength or substance there might have been in the original idea being gradually and remorselessly splintered in the process.

The Entertainment Guide is on Page 8

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21 Hours at Munich is the story of the terrorist kidnappings and killings at the Olympic Games five years ago. Shot and scripted with an admirable pleinness, it tells the grisly tale of what happened on that September day in 1972 from the Palestinians' dawn raid on the Olympic village to the catastrophic police ambush at an airport outside Munich in which all the Israeli hostages lost their lives. No freshly-served slice of history seems complete these days without a garnishing of star names, so here we have William Holden as the Munich police chief, Franco Nero as the terrorists' leader and Shirley Knight as the security officer who acted as a go-between. But so discreet and un-starry are their performances that the tale unfolds without any pause for histrionics, emotional set-pieces or Delivery of the Message; and the result is as near to a sober, quasi-documentary recreation as one can imagine Hollywood getting.

*

Je T'Aime Moi Non Plus, by contrast, is wildly over the top: a slow, sultry, steamed-up saga of anal love, set somewhere in the Midwest; in which homosexual garbage man Joe Dallesandro meets boyish café waitress Jane Birkin and after some unsuccessful attempts at "normal" sex manages to make it with her The Only Way He Knows How. Which is fine for him but less so for Miss Birkin, whose mid-coital screams cause the couple's couplings to be frowned upon wherever they go. The two are forced to traipse from hotel to hotel looking for a secluded room, or perhaps for a deaf hotelier, but they only finally get it together painlessly in the back of his truck. Serge Gainsbourg wrote and directed the film, and one hopes and prays that he had his tongue in his cheek. No other posture could possibly vindicate the mixture of steamily absurd storytelling and coyly naughty dialogue (He soulfully to her: "Love is blind and has a long pink cane") that the film straightfacedly exhibits.

But Britain can do worse. Woe unto a film industry that allows an erstwhile star like Anthony Steel — whose films I grew up with and cherished in the 1950s —to spend his middle years as a distinguished but weary-looking stooge in a series of sex films. Steel was last seen in the French porno movie *The Story of O*. Now he is given the job of listening to the erotic confessions of Fiona Richmond, whose fictionalised life story is told for us in the series of naughty-funny flashbacks that make up *Hardcore*: Miss Richmond as a schoolgirl, Miss Richmond as an air hostess, Miss Richmond revealing all in the endless series of tepid and inexplicit couplings the script provides. An unfunny, undignified, unsexy time is had by all (including suffering co-stars Victor Spinetti, Ronald Fraser and Graham Crowden) and the title itself is surely actionable under the Trade Descriptions Act?

*

Perry Henzell's *The Harder They Come* returns to London, four years after its initial release, looking rather better than new thanks to the restitution of the original censorship cuts. This tale of big-city crime and corruption set in Kingston, Jamaica—its arena the recording business, its star reggae singer Jimmy Cliff—has a lively plot, an irresistibly dynamic score and a myth-making way with its story of a criminal-turned-folk-hero that suggests a Caribbean *Bonnie and Clyde*. Henzell directs with real élan, and even the film's faults—some garish colour, some bewilderingly choppy editing—bear witness to a creative *joie de vivre* that is all the more remarkable for being without either precedent or successor in West Indian film-making.

Mermaid

Oh, Mr. Porter by B. A. YOUNG

This is the third Cole Porter anthology we have had in recent days. What is said to distinguish this one from the others is that it is more than a simple collection of songs. It has a script. It is a play.

But alas, it isn't. The story line, in so far as it is perceptible, runs like this: Ten players are waiting on the stage of the Mermaid Theatre for a director to arrive and start casting the show for which they have been engaged. As no director turns up, they begin to sing "Let's do it." Then, with dialogue that never rises beyond the level of the "cue for song," introduced just sufficiently to keep the songs apart, they sing 36 more songs. The cues are not relevant to anything that has happened before; when a number is over, we flick into the necessary two or three lines in order that another number may be started, and that's it.

There may be people, and I suppose Benny Green, who cobbled this show together, is one of them, who believe that Cole Porter's songs are so brilliant that you have only got to hear the words and the music to establish that you are in the presence of a masterpiece. I am not among that sect. His best songs are very good, but heard en masse a lot of his lyrics are revealed as simple machine-made stuff. Those endless lists of comparisons, stuffed with naive sophistication, wowed the public with their novelty when they were first heard, but they are not made from long-lasting material. "Sparkling wine ought to be you. All of Beetboven's nine ought to be you"—no, it won't do. We don't even get the cunning interior rhymes that experts like Lorenz Hart and Stephen Sondheim give us so generously.

However, given that there are lovers of the songs, there must also be acceptable performers of them. *Oh, Mr. Porter* offers nothing like this. The five boys and five girls sing loudly and cheerfully (and there is, thank God, not a sign of a microphone): but no one gives the kind of subtle performance the lyrics need to survive.

I felt quite sorry for the players, floundering through the inanities of the script until they reached the extra-inane conclusion. A script is suddenly found on the stage. It contains the very material they have been playing for the last two hours and a half! There is a tenfold repeat of a simple joke where they all find themselves cast in unsympathetic parts, and then they move into—well, what would be appropriate? "Let's do it"? They've already done it. "All of you"? It came 20 minutes into the first act. "Night and day"? It isn't in the show at all. No, they sing "You're the top" with a great access of glee, never pretending for a moment that it has anything to do with what has come before.

The rough and ready direction is by Wendy Toye (who also "devised" the show and choreographed it), and the design, which allows two blue-lit EXIT signs to show temptingly through the transparent backcloth throughout, is by Alan Barrett.

Benson and Hedges Music Festival

The first Benson and Hedges Music Festival will take place at Snape Maltings from September 27 to October 2 this year. There will be eight concerts devoted to the chamber music of Schubert and Britten. Artists taking part will include Sviatoslav Richter, the Amadeus Quartet, Clifford Curzon, William Pleeth, Pierre Fournier, Jean Fonda, Julian Bream, Ossian Ellis, Elly Ameling, Janet Baker, Peter Pears and Hermann Prey.

Works to be performed include Schubert's Trout Quintet, his Arpeggione Sonata for Cello, Britten's Quartets Nos. 2 and 3, his Cello Sonata, and songs by both composers. The concert on September 30 will be a "Schubrittaniade," in which several of the singers and instrumentalists will participate.

Seats for single concerts will all cost £4, while a season ticket for the eight events will be only £25. The ninth and final concert, on the evening of Sunday October 2, will be given by the finalists of the Benson and Hedges Gold Award International Concert Singers Competition, for which the adjudicators are Peter Pears, Nine Dorliac, Elisabeth Schwarzkopf, Hugues Cuenod, Hans Hotter, Walter Legge and Gerald Moore. Seats for this concert will cost £2.

The Benson and Hedges festival is planned to be an annual event, and ideas for future pairings of composers are Schumann/Debussy and Beethoven/Bartok.

E.F.

Cosmic laser concerts at London Planetarium

The London Planetarium, in association with Laser Images Inc., of Los Angeles, will be introducing cosmic laser concerts to London under the title of "Laserium" as a new evening entertainment from the end of June. This will be the first laser concert entertainment to be launched in Europe.

Planetariums are already being used with great success by Laser Images for laser concerts in cities in the U.S. and in Canada and Japan.

Laserium was created by Ivan Dryer, president of Laser Images Inc. in 1971, as an entertainment medium incorporating his main interests—music, visual exploration and the expression of what he describes as "cosmic awareness."

Coliseum

Festival Ballet

by CLEMENT CRISP

Because *Etudes* is "about" ballet technique, we judge its cast on purely technical terms. These are not, in any case, bad terms upon which to assess a dancer, and on Wednesday—on the second evening of London Festival Ballet's summer season—they were met with glorious prowess by Peter Schaufuss. Danish trained, Mr. Scheufuss was for some years a star of the company; latterly he has been with New York City Ballet, and he returns as guest to Festival with a freshly burnished virtuosity which made the pyrotechnics of *Etudes* look the merest child's play. That technical skill is not an end in itself may not be readily apparent in *Etudes*, whose ideals are those of coruscating brilliance of step, but in Mr. Scheufuss' dancing we see beyond technique. He reveals a mastery, and a grace of manner, that are heart-stirring.

The demands of the role lie absolutely within his powers, and he can afford to treat the choreography's ferocities with a kind of amused arrogance. His first entry is concerned with a multiplicity of pirouettes in a variety of positions, and these Mr. Schaufuss pearls out with complete nonchalance, as if to say: "There's nothing easier," and then slows down the final turn to show how total is his control.

In jumps he has the Bournonville school's ability to use a quick take-off to bring him early to the heart of the leap and then hold its central image; in beaten steps his beautifully arched feet and the bright outline of his poses have no blurring or indecision. The personality is eager, happy; the choreography shines; it is truly exciting and rewarding dancing by an authentic virtuoso.

His fellow principals were Eva Evdokimova, at her best in passages in which her lightness in elevation was displayed, and Peter Breuer, who makes up for any lack of finesse with a great deal of force. From Festival Ballet's artists some enthusiastic dancing, a quality which could with advantage have been seen in the first part of the programme.

This was dedicated to Nicholas Beriozoff's version of Fokine's *Le Coq d'Or*. The message implicit in the "after Mikhail Fokine" and "after Natalya Goncharova" which appear in the listing of the production credits, is that time's erosions have been much restored by later hands. The result, to be considered on these "after" terms, is something more than faded. The drama of King Dodon and the Queen of Shemakhan has neither satiric bite nor mystery: the folk-tale naiveté, the peasant energy, so wonderfully evinced in the design (though not in the Queen's nasty nylon love-nest) is missing from many of the performances.

Nigel Burgoine makes an acceptably hoobyish Dodon, and Liliana Belfiore has a flashing jump for the Cockerel, but some of the other artists might consider the style of Goncharova's designs and find inspiration in them for a way to bring their characters to life.

EUROPEAN NEWS

THE BAADER-MEINHOF TRIAL

A grim chapter closes

BY ADRIAN DICKS IN BONN

THE longest, costliest and most controversial trial in post-war German history came to an end yesterday when, to no one's surprise, the three surviving members of the Baader-Meinhof group were found guilty of a series of murders, attempted murders and bomb attacks, and were each sentenced to life imprisonment.

The defendants, Andreas Baader, Jan-Carl Raspe and Gudrun Ensslin, refused to be present in the court-room, as did their appointed lawyers, who had instead presented final pleas and arguments in a Press conference on Wednesday evening outside the specially-built fortress-like Stammheim prison and court-house complex, near Stuttgart, where the trial has been held.

The lawyers' speeches consisted of vehement denunciations of both the legitimacy and the procedures of the trial, though they somewhat undercut the logic of this stance by serving notice that they might appeal the verdicts to the federal court of appeals. And in a valedictory message from the three terrorists themselves, the lawyers ran through the familiar catalogue of left-wing rhetoric against the "Fascist" nature of the federal republic and its institutions, and against U.S. involvement in Vietnam. It was out of enmity for American imperialism, so the self-styled "Red Army Group" has claimed, that the wave of bombings leading to the trial was carried out.

Equally predictably, the presiding judge, Herr Eberhard Foth, rejected all claims to political justification for the group's actions, and in his long and detailed summing-up, placed the emphasis on the four deaths and 34 near-deaths which the three had caused. West German public opinion is likely to agree overwhelmingly with him and with the verdicts, and to hope that with three of the original instigators of the new anarchist generation now apparently behind bars for the foreseeable future, a grim character can at last be closed.

It is most unlikely that this will be possible. No one knows exactly how many terrorists remain at large in West Germany—the figure of 200-300 hard-core "fighters," plus a further 4,000-odd sympathisers, seems to be little better than a guess on the part of the police and counter-terrorist department of the federal prosecutor's office. However, there are certainly enough to provoke further attacks and incidents, of which the most recent has been the murder in Karlsruhe earlier this month of Herr Siegfried Buback, the Federal Attorney-General.

Baader-Meinhof four: Ulrike Meinhoff, Andreas Baader, Jans Karl Raspe, Gudrun Ensslin.

Responsibility for this was promptly claimed by the "Ulrike Meinhof Commando," a reminder of the way in which German terrorists now seem to focus their resentmentse less of broad issues of international affairs than on the short and violent history of their own movement. The point of reference in this case was Frau Ulrike Meinhof, a co-defendant in the Stammheim trial until she committed suicide in prison almost a year ago. To survivors in the movement her death quickly came to symbolise persecution by the authorities and martyrdom from what they call psychological torture.

No one knows exactly how many terrorists remain at large in West Germany. However, there are certainly enough to provoke further attacks

This tight, self-sustaining system of beliefs, bizarre and paranoid though it seems to most West Germans, seems to be one of the factors that has made the terrorists movement so hard to deal with. A second is the ever-shifting organisation of "cells" and fringe groups.

All this has helped to feed the concern, more than once expressed by Herr Buback before his violent death, that West German terrorists may at some time call in the obligations they have earned with similar movements abroad, for example by their assistance to the Palestinians in the Vienna attack on OPEC headquarters and in the Entebbe affair last year.

Yet further terrorist incidents will not be the only, or even the most enduring, result of the long Stammheim trial. It also raised uncomfortable questions about how a democratic society ought to deal with the terrorist question, and more specific questions about the very nature of the West German judicial process. During the course of the trial, it emerged that at least some of the judges were discussing how they ought to proceed on points of detail with colleagues in the higher court that might eventually have to handle an appeal.

Last month, it was admitted by the Baden-Wuerttemberg government that conversations between the accused and their lawyers had regularly been bugged—a practice that Chancellor Helmut Schmidt has recently said he personally considers justified in view of suspected complicity by some radical lawyers in plotting terrorist attacks. It was this incident, however, that led the Stammheim defence lawyers to abandon the proceedings a month ago.

Could the trial, in view of all this, be considered a fair one? Should newspapers have been allowed, and leading politicians have allowed themselves, to refer to the accused as "terrorists" before the verdicts had been reached? And should the frequent demonstrations and political outbursts of the defendants have been more forcefully turned aside, as some German newspapers have suggested an English court would have done?

All these are questions that disturb many people in West Germany who could by no stretch of the imagination be considered sympathetic to the Baader-Meinhof group or its aims. They have been only partially confronted by the political parties, with the Christian Democratic Opposition calling for tougher legislation and for less time-consuming judicial procedures to deal with terrorists, and the Social Democratic-Free Democratic coalition insisting they receive the same treatment as other criminal defendants.

Herr Schmidt claimed, in a speech at Herr Buback's ceremonial funeral, that the democratic state had not been weakened, but strengthened, by the terrorists and their activities. Yet not everyone is persuaded. The trial, bugging and wiretapping operations against suspected terrorists have left an unpleasant taste behind. The bitter irony is that the Baader-Meinhof group and their heirs may have taken to West Germany a little further away from liberality and due legal process than it realises.

Strike by Finnish technicians widens

BY LANCE KEYWORTH — HELSINKI, April 28.

THE FINNISH Central Federation of Technical Employees' Union (CFTE) has called out some 40,000 technicians in all industrial sectors in support of the power plant technicians, whose strike is now in its fifth week.

Including CFTE members already on sympathy strike (air port ground staff, ships engineers and ships telegraphists) this means that some 50,000 technicians, many of them in key positions, have stopped work.

The CFTE, who last week-end rejected the State arbitrator's compromise proposal for a settlement of the electrical workers' strike, this week put forward new, higher demands, which come to close on double the wage increases and other benefits for which unions representing about 1.3m. workers have already settled.

If the small member-unions of the CFTE get their way, all the labour contracts already signed would have to be renegotiated.

The CFTE refusal to follow the general line proposed by the Government incomes policy official was announced just after Mr. Martti Miettunen, the Prime Minister, made a special appeal.

He said unemployment had reached a record 157,000 (7 per cent. of the workforce) in mid-April, of which 45,000 was due to lay-offs caused mainly by the electrical workers strike.

This was in spite of the fact that engineers and other non-CFTE staff are keeping power supplies going throughout the country.

The employers now say that if the broadened strike of technical employees continues there will soon have to be mass layoffs in industry.

Apart from this small group of key workers in the CFTE, the troubled labour situation which has prevailed in Finland for three-and-a-half months seems to be improving at last. However, there are still nine strikes in progress (including the restaurant branch and commercial TV), and 12 strikes and two employers' lock-outs due to start before May 9.

Sweden spirits taxes to rise

By Our Own Correspondent
STOCKHOLM, April 28.

STOCKHOLM consumers have been queueing in vast numbers this week to buy wines and spirits, before the already high prices go up even further this week-end.

The duty on wines and spirits is to rise approximately 10 per cent., while value added tax will also rise from 17 to 20 per cent.

Meanwhile, last night Parliament approved a bill to abolish the sale of "middle-strength" beer in food shops and supermarkets as from July 1.

Threats halt Danish newspaper

By Hilary Barnes
COPENHAGEN, April 28.

THREATS by strike leaders to supervisory staff and their families tonight stopped publication of the Copenhagen newspaper Berlingske Tidende again. The paper, hit by a strike of printing staff which began on January 30, appeared on Monday in an emergency edition, made up with the assistance of supervisory staff only.

The new development caused dramatic intervention by Prime Minister Anker Joergensen in the Folketing (Parliament) late this afternoon, during a debate on unemployment. He asked for an adjournment as the result of a "serious development" in the Berlingske dispute. The Cabinet met immediately to discuss the situation.

Earlier in the afternoon, the chairman and deputy chairman of the newspaper's shop stewards' organisation gained access to the newspaper offices and told supervisory staff that if they continued to assist in the production of what they called the "pirate edition," their names, addresses and photographs would be published in pamphlets.

The Financial Times, published daily except Sundays and holidays. U.S. subscriptions $178.00 (air freight) $334.00 (air mail) per annum. Second class postage paid at New York, N.Y.

W. German growth 'to be less than 5%'

By Adrian Dicks

BONN, April 28.

GERMANY'S five leading economic research institutes have predicted continued strong economic growth in 1977, but were unable to [illegible] their customary spring [illegible] on the economy exactly how much further the present [illegible] of recovery has to run.

The Berlin, Hamburg and Kiel institutes, representing the [illegible] more optimistic point of view, forecast real gross national product growth of 4.5 per cent. for the year as a whole. This is [illegible] downward revision of 1 per cent from their autumn forecast six months ago, and is accounted for by the institutes state, by the slower growth of exports.

However, the three bodies expect to see a relatively strong increase in production this year, with quite strong export growth, a significant increase in the spendable funds available to households.

While this is one factor that should encourage the long-awaited recovery in industrial investment, the three institutes believe, there should also be an important push in the same direction from the low real returns on capital to be had from financial markets, as well as from the Government's recently agreed medium term investment programme.

The majority report coincides in most respects with the views of Herr Hans Friderichs, the Economics Minister, but the institutes come down against the Government's proposed increase in value added tax, which they fear could have a dampening effect on growth. They expect some 250,000 new jobs to be created this year, but warn that new entrants to the labour market will be too many to allow any fall in unemployment below an average of 900,000 for the year.

The Munich and Essen Research Institutes' minority report takes a more guarded view of the prospects for 1977, with only 3-4 per cent. real GNP growth. They point to the fall in real new investment between the last quarter of 1976 and the first three months of this year, and place greater weight on the uncertainty about the future which

Andreotti seeks an agreed policy with Communists

BY DOMINICK L. COYLE

ROME, April 28.

ITALY'S long-ruling Christian Democrat (DC) party has invited the country's powerful Communist party (PCI) to enter directly into the government process, but still short of having seats in the Cabinet.

It results from what DC party secretary, Sig. Benigno Zaccagnini has referred to as "the realities of Italy's present political situation." In essence, the last election gave no party, or popularly—acceptable coalition of parties, a working Parliamentary majority unless with the involvement of the Communists.

What the Christian Democrats have now proposed are all-party consultations—"within limits compatible with a policy of confrontation"—in an effort to reach agreement on a limited legislative programme. It is assumed here that any such agreed package would, in fact, be implemented formally by a minority Christian Democrat Government, possibly under the present Prime Minister, Sig Giulio Andreotti.

The decision, made unanimously, but with reservations by the DC's central directorate, amounts to an admission publicly by the Christian Democrats that Italy can no longer be governed effectively without the positive involvement of the Communist party, which captured more than one-third of the popular vote in last year's inconclusive general election.

Such a Government would then be supported directly in Parliament by the Communists, the Socialists and the other smaller lay parties but, in terms of its main measures, the legislative programme would have been agreed in advance. The Cabinet would probably contain a few technicians known to be sympathetic to, or to reflect, Communist and Socialist policies, although not card-carrying party members as such.

Sig. Zaccagnini has already started the process of consulting party leaders in advance of formal negotiations, but the Christian Democrats are emphasising that their decision to agree to a direct dialogue with the Communists and others is a qualified one. Hence, their stress on "limits compatible with a policy of (party) confrontation" and the need to maintain the individuality and basic policies of each party.

It is, for all that, a significant step in Italian post-war politics, a third phase, as it were, following the long years of, effectively, majority DC rule and its ultimate replacement in the early 1960s by the so-called centre-left coalition with the Socialists. (For a brief period immediately after the war there were Communist Ministers in the Cabinet.)

The Communist party has reacted cautiously to the DC's move. The party newspaper L'Unita noted this morning that there were some ambiguities in the position of the Christian Democrats. Yet party leader, Sig. Enrico Berlinguer, reemphasised again only yesterday his view that the presence of the Communists in government "is a condition for the rescue and re-birth of Italy. The PCI is ready to do its share, but also the other democratic forces must be prepared to take their own responsibilities."

There is, of course, no guarantee that the all-party negotiations will result in an agreed programme, or at least a sufficient measure of agreement to satisfy all the parties, but essentially the Christian Democrats and the Communists.

Political violence mounts in Turkey

ERZINCAN, April 28.

POLITICAL violence rocked central Turkey for the third day to-day, marring opposition leader Bulent Ecevit's election campaign tour and leaving several youths dead or injured in street fighting.

Angry right-wing youths threw rocks and fired on Mr. Ecevit's supporters in Erzincan. They also stoned the former Prime Minister's motorcade and fought street battles lasting until mid-morning that left four injured, officials said.

Two students, one male and one female, died in clashes between right-wing and left-wing students in Istanbul and another youth was killed in Izmir when an unidentified group opened fire at him as he and some friends were plastering posters on a wall shortly before daybreak.

Our Nicosia correspondent writes: It now seems almost certain that the Cyprus intercommunal talks, which were due to resume in Nicosia next month, will be put off until after the Turkish general election on June 5.

Informed sources said the Turkish Cypriots are trying to delay the next round of talks until a new Turkish Government emerges from which to get concrete instructions, especially on the key issue of territorial concessions demanded by the Greek Cypriots.

THE CHIASSO AFTERMATH

The end of an opulent banking era

BY PAUL BETTS

LUGANO, April 28.

THE DISCREET and opulent charm of Ticino—the Swiss canton straddling the Italian border north of Milan and famous not only for its lakes and mountains but also for its 42 or so banks, 6,000 banking employees and 250 bank counters—has been shaken but, it seems, not undermined by the Credit Suisse affair at Chiasso.

There was no panic at the Credit Suisse branch to-day with its staff of 250. Its three senior executives—Mr. Ernest Kuhrmeier, Mr. Claudio Laffranchi, and Mr. Meinrad Perler—are now sitting in Lugano jail, 12 miles away, remanded in custody for "criminal practices of the management of the Chiasso branch." There has been no rush to withdraw deposits.

At the branch, however, there is caution bordering on polite hostility towards unknown outsiders.

The affair has not provoked the angry public reaction which erupted six weeks ago when another but much smaller Ticinese bank, Weisscredit, was ordered to close after clients' funds were invested in an insolvent Liechtenstein-based company. Most of the Weisscredit small depositors, including local shopkeepers and Italian immigrants who feared for their savings, held public protest meetings in an area where public protests are as rare as princesses and Ferraris are common.

Credit Suisse's announcement that it would reimburse 75 per cent. of the total of all deposits involved in the Chiasso affair, the other 25 per cent. clients, most if not all Italians, of fiscal demands for unpaid interest taxes and evasions of foreign currency restrictions, has done much to calm the atmosphere. As the district procurator said in Lugano this week, 1,000 clients, most if not all Italians, had their funds channelled by the Chiasso branch into the Texon Finanzanstalt company of Liechtenstein. The total sum involved is estimated at Sw.Frs.2.2bn. and the effective loss, according to local banking sources, could be much higher than the Sw.Frs.250m. mentioned by Credit Suisse. Some put it as high as Sw.Frs.750m. though it is still too early to say definitely. According to the Procurator, the Chiasso branch clients were given written guarantees by the branch of the sums deposited with Texon. These guarantees, be added, were allegedly hidden from Credit Suisse central office. And according to several banking observers in Lugano, these funds were attracted to Texon by high short-term interest rates and subsequently invested in long-term and medium-term projects.

For the banking community here, the Chiasso affair coming so soon after the Weisscredit case has been a major blow not so much because it reflects any increasing structural weakness of the Ticinese financial piazza or money market, but because of its serious psychological repercussions.

Three Ticinese institutions have closed since 1970 including Vallugano Bank, in 1970 after the Italian butter import fiddle, a small bank called Biasca bank in 1975 and most recently Weisscredit.

In 1974, Lloyds bank lost the equivalent of £38.5m. as a result of unauthorised foreign exchange dealings by officers at its Lugano branch.

Ticinese banking is still solid but it has suffered, like other large money markets, from the adventures of a few who broke the rules of the game.

Banking in Ticino goes back 50 years to the days when capital was flowing out of Italy into the Swiss banking system beyond the St. Gottard Pass because of political and economic uncertainties in Italy. The Zurich-based banks therefore decided to establish a large-scale presence in Lugano—a natural parking area for Italian funds since it was only a few miles from the Italian border.

Lugano and its area was to serve the Italian market, as Geneva served the French, Basle the French and German, and Zurich the traditional international clientele.

But the unique phenomenon of Ticino, which appears to be made up of banks, has been exacerbated by the Italian banks which, seeing the Swiss taking an increasing slice of a major Italian banking market, planted their own affiliates in the area. The Italian monetary authorities too saw Ticino as an area which could provide investment capital for their own country. So began the recycling of lire and the process of using Italian capital abroad for Italian industry. The Italian authorities also recognised capital abroad as effectively hidden reserves.

With the Centre-Left governments of the 1960s, and renewed political instability, Italian capital flowed into Ticino faster than ever. Italy's leading economic operators, faced with increasingly difficult labour relations, rising labour costs and steadily lowering profit margins, channelled funds into Switzerland.

The capital outflow was boosted by high eurodollar interest rates.

By the beginning of last year, an unofficially estimated £20bn. of capital had been illegally exported to Switzerland over two decades—and this formed the substantial basis of the Ticinese financial piazza.

Since then Italian capital outflow has fallen away sharply. The Italian Government has imposed heavy controls on the export of lira.

The reduction of capital outflow is of no major consequence to the Ticinese banking establishment—but for the speculators the reduction in readily available front money is of major concern. constant flow of new funds, and when these dry up the problems begin. In this sense, the Weisscredit and Credit Suisse Chiasso affairs are symptoms of a phenomenon which could soon grow rapidly.

North-South talks head towards crisis

BY ROBERT MAUTHNER

PARIS, April 28.

THE NORTH-SOUTH conference between rich and poor nations, which resumed here earlier this week after a five-month interval, is heading for a crisis within the next two or three weeks, in spite of the more constructive atmosphere that marked the opening meetings of senior officials of both sides.

The past few days have shown that there is still a wide gap between the positions of the group of 19 oil-producing developing countries and the eight industrialised nations. No one is under any illusion that the officials will be able to reach agreement by themselves, and it is generally accepted that it will be left to the ministers to work out a compromise package deal at the conclusion of the conference at the end of next month.

Some observers think the less developed countries may engineer a tactical crisis as early as next week in order to influence the discussions of the Western summit conference in London on May 7 and 8.

It is more likely, however, that they will delay their fireworks display until the middle of May, to give them time to digest the new Western thinking on the Third World's problems which might emerge from the London summit.

Whatever the outcome of the conference, the developing countries are likely to get far less than they originally asked for. Their proposal for a scheme under which the prices of their oil and other raw material exports would be indexed to Western rates of inflation has long been considered a non-starter by the industrialised countries, though other methods might be found of guaranteeing their export earnings.

The main hopes of the participants now centre on the proposal to set up a common fund for the stabilisation of the prices of some key commodities, which has already been fully discussed at the recent Unctad meeting in Geneva and the Common Market summit in Rome.

Spanish unions legalised

BY ROGER MATTHEWS

MADRID, April 28.

THE RIGHT to form independent trades unions was officially granted in Spain to-day, another step towards more democratic government. Five trades unions immediately lodged their articles of constitution with the authorities, an action that is followed almost automatically by legalisation.

The five are the Communist-dominated Workers Commissions; the Socialist-aligned General Workers Union; the USO, which is linked to a smaller Socialists faction; a regional union from the Basque province and another from Catalonia. Several others, including the traditionally Anarchist CNT, are still considering whether to go through the Government-imposed procedure.

Meanwhile, hundreds of officials at the headquarters of the Sindicatos (the vertically organised labour structure that was the corner-stone of the previous authoritarian regime) staged a demonstration as the leaders of the independent unions arrived. The demonstrators called on the Minister in charge of Union Affairs, Sen. de la Mata, to resign and complained that their future was not being taken into account.

There are nearly 30,000 employees of the official Sindicatos whose role is becoming increasingly irrelevant. They have been promised other jobs in the civil service, but meanwhile the old system operated under General Franco and the new unions are to exist in tandem.

Urgent talks between the union leaders and the Minister began this afternoon on the question of demonstrations and rallies to mark May 1. The Civil Governor of Madrid has already banned a mass march through the centre of the city but there are fears of serious clashes between riot police and demonstrators unless a compromise is reached.

The newly legalised unions are expected to launch an almost immediate campaign for substantial changes in the laws governing labour relations and particularly the right to strike. It was stressed to-day that although unions are now recognised, their activities are still very restricted by law.

For many union leaders it was an emotive day. Until the death of General Franco some had been unmercifully harried by the police. Jail sentences of more than 20 years were passed on leaders of the Workers Commissions only three years ago.

Air traffic control improvements

MADRID, April 28.

THE SPANISH Government to-day announced the installation of new and improved air traffic control equipment throughout the country after allegations that its airports and airspace are dangerous.

The Air Ministry's civil aviation office said it was announcing the improvements in response to reports on the supposed danger of Spanish airspace."

These included a national network of new radar installations belonging to the military which would be handed over to civil aviation next month. It also listed immediate improvements in radar equipment and communications at airports in Barcelona, Madrid, Las Palmas and Malaga.

Reuter

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

In re U.S. FINANCIAL SECURITIES LITIGATION — M.D.L. No. 161

SOCIETE GENERALE DE BANQUE, RENTINVEST, NORTH AMERICAN FUND A and ITF FUND LTD., Plaintiffs. v. TOUCHE ROSS & CO., Defendant. — Civil No. 74-569-T

SOCIETE GENERALE DE BANQUE, RENTINVEST, NORTH AMERICAN FUND A and ITF FUND LTD., Plaintiffs, v. UNION BANK, Defendant. — Civil No. 75-1044-T

SOCIETE GENERALE DE BANQUE, RENTINVEST, NORTH AMERICAN FUND A and ITF FUND LTD., Plaintiffs, v. BROWN, WOOD, FULLER, CALDWELL & IVEY and BROWN, WOOD, IVEY, MITCHELL & PETTY, Defendants. — Civil No. 76-0819-T

NOTICE TO: THE PURCHASERS OF 9% GUARANTEED DEBENTURES (DUE April 1, 1982) OF U.S. FINANCIAL OVERSEAS, N.V. BETWEEN APRIL 8, 1970 and JULY 23, 1973.

YOU ARE HEREBY NOTIFIED pursuant to Rule 23(c) and 23(d) of the Federal Rules of Civil Procedure that there are pending in this court three actions entitled *Societe Generale de Banque, Rentinvest, North American Fund A and ITF Fund Ltd. v. Touche Ross & Co., Civil Action No. 74-569-T, Societe Generale de Banque, Rentinvest, North American Fund A and ITF Fund Ltd. v. Union Bank*, Civil Action No. 75-1044-T and *Societe Generale de Banque, Rentinvest, North American Fund A and ITF Fund Ltd. v. Brown, Wood, Fuller, Caldwell & Ivey and Brown, Wood, Ivey, Mitchell & Petty*, Civil Action No. 76-0819-T (hereinafter the "*Societe* actions"), in which plaintiffs allege that certain violations of the securities laws occurred in connection with the sale of 9% Guaranteed Debentures (due April 1, 1982) (hereinafter "the Debentures") of U.S., Financial Overseas, N.V. (hereinafter "Overseas") between April 8, 1970 and July 23, 1973.

THE DEFINITION OF THE CLASS IN THE SOCIETE ACTIONS

The court, by orders dated August 11, 1975, April 27, 1976 and October 14, 1976, has determined that the *Societe* actions shall proceed as class actions, as hereinafter defined, pursuant to Rule 23 of the Federal Rules of Civil Procedure, and has directed that this notice be given to members of the class in the *Societe* actions, which class is defined as follows:

"ALL PERSONS WHO CURRENTLY HOLD 9% GUARANTEED DEBENTURES, DUE APRIL 1, 1982, of U.S. FINANCIAL OVERSEAS, N.V., PURCHASED BETWEEN APRIL 8, 1970 AND JULY 23, 1973."

The class action determination and this notice are not however, intended to be, and should not be construed as, an expression of any opinion by the court with respect to the truth of the allegations of the Societe actions; this notice is merely to advise you of the pendency of the actions and of your rights thereunder.

THE PARTIES AND THE NATURE OF THE SOCIETE ACTIONS

Plaintiffs Societe Generale de Banque, North American Fund A, Rentinvest and ITF Fund Ltd. in their complaints assert, both individually and as representatives of the class defined in the preceding section of this notice, that the defendants Touche Ross & Co. ("Touche Ross" hereinafter), Union Bank and Brown, Wood, Ivey, Mitchell & Petty ("Brown Wood" hereinafter), caused, participated in or aided and abetted in the issuance to the investing public of certain allegedly false financial statements and other material of U.S. Financial, Inc. ("USF" hereinafter) including an Offering Circular dated April 8, 1970, relating to the offering of the Debentures. Plaintiffs allege that, based on the foregoing, Touche, Union Bank, and Brown Wood violated the antifraud provisions of the United States securities acts, specifically, Section 10(b) of the Securities Exchange Act of 1934, 15 U.S.C. §78j(b) (the "Act").

Each of the defendants has denied all allegations of wrongdoing, has denied any liability to plaintiffs or other members of the class, and has asserted various defenses. Defendant Brown Wood has also asserted a counter-claim against plaintiff Societe Generale de Banque ("Societe" hereinafter) for contribution based upon *Societe*'s activities as a member of the underwriting syndicate for the debentures.

For your information, in addition to its determination that the three *Societe* actions shall proceed as class actions, the court has determined that other actions, asserting claims similar to those asserted in the complaints in the *Societe* actions are to be maintained as class actions for certain purchasers of the common stock and domestically traded debentures of USF. The defendants named in those actions have similarly denied all allegations of wrongdoing and have denied any liability to the named plaintiffs or the members of the classes defined in those actions.

USF filed a Petition for an Arrangement Under Chapter XI of the Bankruptcy Act on July 23, 1973. Subsequently, most of the subsidiaries of USF, including Overseas, filed Chapter XI petitions, as well. These proceedings are now proceeding under Chapter X of the Bankruptcy Act in the United States District Court, Southern District of California. At this time it cannot be predicted what payments, if any, Overseas or USF will be able to make on the Debentures.

This notice is not a settlement notice, but rather is a notice only of the determination of class actions for purposes of litigating disputed claims against the defendants. No settlement of the claims asserted on behalf of the classes in the *Societe* actions will be effectuated without prior notice to the members of the class or classes involved and prior approval of the court.

For more complete information concerning the complaint and the litigation, interested persons are referred to the documents on file at the Office of the Clerk of this court.

EFFECT OF CLASS DETERMINATION

Plaintiffs commenced these actions not only on behalf of themselves but also on behalf of the class consisting of all others similarly situated to wit: All holders of Debentures who purchased their Debentures on or before July 23, 1973.

If you are within the class, that is, if you now own one or more Debentures which you purchased on or before July 23, 1973, *YOU WILL BE BOUND BY JUDGMENTS IN THESE ACTIONS, WHETHER FAVOURABLE OR ADVERSE TO PLAINTIFFS, UNLESS YOU REQUEST, IN WRITING, EXCLUSION FROM THE CLASS AS PROVIDED BELOW.* If you do not request exclusion from the class, then you will have the right to participate, on a *pro rata* basis with the plaintiffs and all other members of the class, in any money judgments recovered by the plaintiffs in these actions, if they prevail, or in any settlement of these actions, if the actions are eventually settled, after the deduction of such expenses and attorneys' fees as this court deems just. If the plaintiffs lose the actions and you have not requested exclusion from the class, you will be bound by the judgments against the plaintiffs. However, any money which may be required to be paid by the defendants whether for costs or as a result of Brown Wood's counter-claim against Societe Generale de Banque, will be borne by the plaintiffs only. *IF, AND ONLY IF, YOU REQUEST EXCLUSION FROM THE CLASS AS PROVIDED BELOW, YOU WILL NOT BE BOUND BY JUDGMENTS IN THESE ACTIONS AND YOU WILL NOT BE ENTITLED TO PARTICIPATE IN ANY MANNER IN MONEY JUDGMENTS OR SETTLEMENTS OF THESE ACTIONS.*

If you do not elect to be excluded from the class, you may enter an appearance through your own counsel if you desire. It is not necessary to enter such an appearance; if you do not request exclusion and do not enter an appearance through your own counsel, your interests in the actions will be represented by the attorneys for the plaintiff class, Casey, Lane & Mittendorf, 26 Broadway, New York, New York 10004, and John D. Butler, Suite 2310, U.S. National Bank Building, San Diego, California 92101.

ELECTION TO BE EXCLUDED FROM CLASS

The court will exclude you from this class if, and only if, you so request on or before July 15, 1977, in a writing addressed to:

Clerk:
United States District Court for
the Southern District of California
P.O. Box 391
San Diego, California 92112, USA

Such a request must state: (a) the certificate numbers of all Debentures purchased by you on or before July 23, 1973 which are still held by you; (b) the date of such purchase; (c) the price you paid for such Debentures; (d) your name and address; and (e) that you request exclusion from one or more of the following class actions: *Societe Generale de Banque, et al. v. Touche Ross & Co.; Societe Generale de Banque, et al. v. Union Bank; and Societe Generale de Banque, et al. v. Brown, Wood, Fuller, Caldwell & Ivey and Brown, Wood, Ivey, Mitchell & Petty.* You may use either the attached form or your own letter to advise the court that you wish to be excluded from the class.

A CLASS MEMBER MAKING A REQUEST FOR EXCLUSION WILL NOT SHARE IN THE BENEFITS OF ANY SETTLEMENT OR RECOVERY IN THE ACTION OR ACTIONS FROM WHICH HE REQUESTS EXCLUSION, WILL NOT BE BOUND BY ANY JUDGMENT ENTERED IN SUCH ACTION OR ACTIONS AND WILL ONLY BE ABLE TO PURSUE INDIVIDUALLY HIS CLAIMS, IF ANY, AGAINST THE DEFENDANT OR DEFENDANTS NAMED IN SUCH ACTION OR ACTIONS. If such a request is received by the court, you will not be entitled to receive notice of any further proceedings, hearings or any other matter in connection with the action or actions from which you request exclusion. *IF YOU DO NOT REQUEST EXCLUSION FROM THE CLASS AS PROVIDED HEREIN, YOU WILL BE BOUND BY THE JUDGMENTS OF THIS COURT, WHETHER THOSE JUDGMENTS BE FAVOURABLE TO OR ADVERSE TO THE CLASS.*

RETENTION OF DEBENTURES

If plaintiffs prevail and obtain money judgement in favor of the class or if plaintiffs enter into settlements which this court approves, you may be required to surrender or present your Debentures in order to share *pro rata* in such judgments or settlements. Therefore, *IT IS EXTREMELY IMPORTANT THAT YOU RETAIN YOUR DEBENTURES AND KEEP THEM IN A SAFE PLACE. DO NOT DISCARD, DESTROY OR OTHERWISE DISPOSE OF YOUR DEBENTURES.*

BY ORDER OF
THE HONORABLE HOWARD B. TURRENTINE, UNITED STATES DISTRICT JUDGE, SOUTHERN DISTRICT OF CALIFORNIA

DATED: San Diego, California, USA
April 4, 1977

William W. Luddy, Clerk, U.S. District Court
Southern District of California
by S. L. Ritchey, Clerk Deputy

*If you do not wish to be excluded from the class and you wish to have future notices to the class sent to you by mail, please fill out the attached form and mail it to the address shown thereon. Your failure to execute and mail this form will not operate to exclude you from the class and you will still be bound by and benefit from any settlement or judgment herein unless you request exclusion as provided above. This form merely enables the court to send all future notices directly to you.

REQUEST FOR NOTICE WITH RESPECT TO CLASS ACTIONS ON BEHALF OF HOLDERS OF THE 9% GUARANTEED DEBENTURES (DUE APRIL 1, 1982) OF U.S. FINANCIAL OVERSEAS, N.V., WHO PURCHASED THOSE DEBENTURES ON OR BEFORE JULY 23, 1973.

I am a member of the class as described above and have not requested exclusion therefrom. Please send all future notices to the class to my attention as follows.

NAME .....
ADDRESS .....
.....
.....
COUNTRY OF RESIDENCE .....

Mail this form promptly to:
Clerk
United States District Court for the
Southern District of California
P.O. Box 391
San Diego, California 92112, USA

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

IN RE U.S. FINANCIAL SECURITIES LITIGATION — M.D.L. Docket No. 161

REQUEST FOR EXCLUSION FROM CLASS

TO: The Clerk of the United States District Court for the Southern District of California
P.O. Box 391
San Diego, California 92112 USA

PLEASE TAKE NOTICE THAT

..... of
(Print name in full)

.....
(Print address)

holder of 9% Debentures of U.S. Financial Overseas N.V., due April 1, 1982, bearing Certificate No.(s) .....purchased on the following date(s) ..... at the following price(s) ..... hereby requests to be excluded from the class in the following action(s):*

[ ] *Societe Generale de Banque, et al. v. Touche Ross & Co.* (Civil Action No. 74-569-T);
[ ] *Societe Generale de Banque, et al. v. Union Bank* (Civil Action No. 75-1044-T);
[ ] *Societe Generale de Banque, et al. v. Brown, Wood, Fuller, Caldwell & Ivey and Brown, Wood, Ivey, Mitchell & Petty* (Civil Action No. 76-819-T)

Dated: ....., 1977

.....
Signature**

*Any debenture holder who submits this form will be deemed to have requested exclusion from all three classes if no other specification is made.
**If a corporation, partnership or other entity, indicate title of person signing on behalf of the entity.

OVERSEAS NEWS

Pakistan government hits out at BBC

By David Housego

RAWALPINDI, April 28.

THE BRITISH Broadcasting Corporation, which since the new censorship controls imposed on the local Press on Saturday has become for most Pakistanis the only source of news about the Opposition, came under stinging attack from the Pakistan Government to-day.

Speaking in the National Assembly, Mr. Aziz Ahmed, the Foreign Minister, accused the BBC of, under the guise of independent reporting, following a consistent policy of encouraging subversion in Pakistan. He said that this amounted to interference in the country's internal affairs.

Mr. Ahmed said that Pakistan had formally protested to British Ambassador John Bushell, who had replied that the corporation was independent. The Foreign Minister added that he had told the Ambassador that he "could not believe that the BBC could pursue a foreign policy of its own against the foreign policy of its Government."

As examples of "tendentious" reporting, Mr. Ahmed said the BBC had blown out of all proportion the resignation of Pakistani diplomats, while dismissing in a couple of sentences Mr. Bhutto's fresh offers to the opposition at his Press conference in Lahore earlier this month.

Mr. Ahmed's remarks followed an equally wounding but indirect attack on the U.S., which Government supporters have accused of financing the opposition Pakistan National Alliance.

The BBC is the most vulnerable of the foreign media covering the crisis here because through both its World and Urdu services it reaches a large Pakistan audience.

Effort to stop Soweto rent rise

JOHANNESBURG, April 28.

MR. DAVID THEBEHALI, the mayor of Soweto, the black township near Johannesburg, said to-day that he hopes to dissuade the Government from implementing rent increases in the township after a student march yesterday protesting against the rises which average 40 per cent. and will take effect on May 1.
UPI

ON OTHER PAGES

Castro spent 'lost' day in Horn of Africa peace bid

BY JAMES BUXTON

PRESIDENT Fidel Castro of Cuba convened a secret summit meeting of the leaders of Ethiopia and Somalia last month in an effort to reconcile the differences between the two states, according to a reliable source. But the Cuban leader's compromise proposals were firmly rejected by President Siad Barre of Somalia.

The meeting took place in strictest secrecy in Aden. President Castro had earlier visited Somalia and then made an unexpected visit to Addis Ababa, where he was received by the Marxist head of state Col. Mengistu Haile Mariam. He then disappeared from the Ethiopian capital and emerged about 24 hours later in Tanzania, as scheduled.

Although the Soviet Union was already becoming involved in Ethiopia, it faced the problem of a long-standing territorial dispute with Somalia, where there has been a Soviet military presence for more than a decade.

President Castro is believed to have suggested that the future of the disputed Somali-populated Ogaden region, which Somalia claims from Ethiopia, could be settled in a confederation of Marxist states.

But President Siad Barre bluntly told the Cuban and Ethiopian leaders that there could be no international solution until Somali national problems had been solved. Somali national aims—which include the unification of all Somali people in Ethiopia, Kenya and the French territory around Djibouti under one flag—came before other ideological aims, he implied.

Somalia has become increasingly concerned by the growing Soviet involvement in Ethiopia. The Addis Ababa government is reported to have received recently a shipment of Soviet arms, including tanks. Last week-end it ordered the expulsion of the U.S. military missions from the country.

The Somali government has come under increasing pressure from conservative Arab states, co-ordinated by Saudi Arabia, to end its links with the USSR, which has built up the Somali armed forces in return for the use of naval facilities in Somalia. Somalia has yet to indicate what it plans to do, but is unlikely to take any precipitate action.

A week after the secret Aden meeting, which apparently took place on March 16, President Siad Barre met the Presidents of North and South Yemen, and President Nimairi of Sudan, at Taiz in North Yemen. The meeting, convened by the Sudanese President, ended with a declaration aimed at making the Red Sea a zone of peace. President Nimairi was apparently exploring the possibility of Somalia and South Yemen making the approaches to the Red Sea free of Soviet influence, and guarding against Israeli penetration in Ethiopia.

Sarkis reshuffles civil services

BY IHSAN HIJAZI

BEIRUT, April 28.

THE TOP posts in the Lebanese civil service have been reshuffled as part of President Elias Sarkis' plans to ensure his own Government base.

As many as 98 civil servants at the level of Ministry directors-general were moved around in the reshuffle but no appointments were made from outside the service.

The reshuffle was announced last night after a special session by the Cabinet under Mr. Sarkis, who decided to keep the changes among already employed officials to avoid a possible controversy.

The Government said it was guided by the slogan of the "right civil servant in the right job," but maintained the traditional confessional balance in distribution of government positions.

Dr. Charles Rizk has been brought back as director-general of the Ministry of Information, a post he had held seven years ago. Mr. Ramiz Khazin, the former director, was assigned to the presidential palace.

Informed sources said the appointment of a new information director will help in reunifying the Government-run media, which were divided during the recent civil war.

Under the reshuffle, Dr. Hassan al Hassan, a Shia Moslem, was appointed director-general of the Ministry of Defence.

Amin 'to give Zaire more aid'

BY STEWART DALBY

KINSHASA, April 28.

PRESIDENT IDI AMIN of Uganda flew into Zaire to-day for fresh talks with President Mobutu Sese Seko amid reports that the Ugandan leader would be providing fresh aid to the Zairean forces repelling a rebel invasion of Shaba province.

Radio Uganda said President Amin had despatched a Ugandan "suicide striking force" to help the Zaire army. The radio station did not give the size of the force and said only that it took food and equipment and was led by Lieut.-Col. Francis Itahuka, a former military intelligence chief.

If President Amin is indeed despatching troops to fight the eight-week-old rebel invasion of Shaba province, Uganda will become the second country after Morocco to take such a course. Uganda has apparently sent food supplies to Zaire shortly after the fighting broke out.

President Amin's visit—his second since the invasion began—comes the day after Brig. Joseph Garba, the Nigerian Foreign Minister, went to Shaba for talks with President Mobutu. Brigadier Garba has been attempting to mediate between President Mobutu and Angola, from which country the invasion of Shaba was launched.

The value of President Amin's visit for President Mobutu is that it shows another African country is supporting him against what he is determined to display as an exercise in Russian adventurism. President Mobutu has made much in interviews of the fact that he has found an African solution to his problem, in that he has the support of Morocco.

President Mobutu has been in Shaba since last week touring towns and battle fronts as his troops make progress against the invasion force. Diplomatic sources in Kinshasha say he is trying to demonstrate that the invaders have been pushed back, that there is no popular uprising against him in Shaba and that he is personally in control.

Japan puts a cautious feeler out to China

By Charles Smith, Far East Editor

TOKYO, April 28.

MR. SHINSAKO Hogen, former Japanese vice-minister of Foreign Affairs, left for Peking to-day in what is regarded as a discreet attempt by Japan to revive the suspended talks on a Sino-Japanese treaty of peace and friendship.

Mr. Hogen was officially said to have "decided" to take up an invitation issued to him last year by a Chinese Japanese friendship society and to be visiting Peking entirely in a personal capacity. But he is known to have met the Foreign Minister and Chief Cabinet Secretary before his departure.

The negotiations on a treaty began early in 1975 but ran into difficulties over China's insistence on a clause condemning attempts by third parties to exercise "hegemony" in Asia—an obvious dig at the Soviet Union. Japan reacted by defining hegemony in a way unacceptable to China. As a result talks were suspended in autumn 1975.

Three things have led to their resumption: the recent sharp deterioration in Japan's relations with the U.S.S.R., China's new, outward-looking posture in foreign relations, and Mr. Fukuda's desire to engage in popular diplomatic activity before next July's Upper House elections. Mr. Hogen seems the ideal man to break the ice with China: he was in charge of the Ministry of Foreign Affairs when Japan normalised diplomatic relations with Peking in 1972, and is reputed to consider Japan should accept China's version of the hegemony clause or something like it.

The China treaty is not particularly popular with the Right wing of the ruling Liberal Democratic Party to which, theoretically, Mr. Fukuda belongs. This is being alleviated, however, by the lengthy delayed passage through Parliament of an agreement for joint development of the continental shelf between Japan and South Korea. The continental shelf agreement was signed in January, 1974, and ratified by Korea in December of that year, but successive Japanese cabinet have dragged their feet over ratification.

The Right wing likes the Korea pact because it favours the strengthening of Japan's relations with President Park and because oil-bearing strata are believed to lie under the shelf.

ZAIRE'S PRESIDENT MOBUTU

Fighting for Shaba and the economy

BY STEWART DALBY IN KINSHASA

PRESIDENT Mobutu Sese Seko of Zaire looks a happy and relieved man this week as he hops around the main towns and so-called warfronts of Shaba province in his helicopter, dressed in green battle fatigues and a helmet bearing the three stars of a Lieutenant-General.

With the help of a force of 1,500 Moroccan troops and some pigmy archers (now apparently withdrawn because the husk grass is too tall for them to operate), his army seems to have turned the tide in the eight-week-old invasion of Shaba (formerly Katanga) province after an extremely shaky start.

In many respects the "invasion" by former Katangese gendarmes—who may or may not have Cuban support—resembles a phony war of the kind immortalised by Evelyn Waugh in his novels "Scoop" and "Black Mischief."

So far as observers can tell there have so far been only two real confrontations. The Zairean casualties for the entire eight weeks seem to total 12 dead.

Be that as it may, the invaders did establish themselves in Mutshatsha on one front, and managed to advance from there to within 20 miles of Kolwezi the key copper town in Shaba. The Zairean armed forces, due largely to a shortage of aviation fuel and a lack of funds, but also because they were lamentably organised, did not manage to repel this advance nor other incursions further north until foreign help arrived.

If the insurgents had managed to capture or even merely disrupt Kolwezi's communications for a period, President Mobutu would have been in grave danger of falling. Shaba produces all of Zaire's copper and copper accounts for over 70 per cent. of Zaire's exports. Kolwezi, rather than Lubumbashi, the biggest town in the province, is the key centre for transhipment.

Handling

With Kolwezi now secure and with apparently no serious disruption of copper production and exports, Western diplomats here are describing President Mobutu's handling of the crisis so far as a "smashing" success. By managing to get the Moroccans to help militarily, President Mobutu has, in one respect, found an African solution to his problems. The Moroccans are fellow members of the Organisation of African Unity, and the OAU charter states that member countries can appeal for help from other members in precisely such a situation as faced President Mobutu.

The Nigerians, through their Foreign Minister, Brigadier Joseph Garba, are trying to ease the strained relations between President Mobutu and Angola, where the Katangese insurgents are based. The Nigerians, who seem pleased with the latest run of events, are not so concerned about Soviet involvement, through Angola, in this vitally strategic Central African region. They are more worried about territorial integrity.

As one diplomat put it: "There is not one country in Africa which does not have problems of diversity. In many cases one tribe straddles both sides of a border. Any Government which allows secessionist tendencies to take root is signing its own death warrant."

On the other hand, support given to Zaire by France—aircraft for transporting the Moroccans, military advisers and other aid—Belgium and China has been viewed as specifically anti-Soviet. The Americans, at least those here, are cockahoop at President Mobutu's progress, saying it represents this first real rebuff to Russian expansionism in Africa since the major Soviet involvement in Angola began two years ago.

But if President Mobutu has done well on the diplomatic front, the war, in other respects, is by no means over. One of his most pressing worries is the economy.

To some extent, the economic problems are due to developments outside the President's control. The copper price, after riding high in the late 1960s, has tumbled in the 1970s. It was low in 1975, when the Benguela Railway, which traverses Angola, was closed because of the civil war there. This was critical not so much because one third of Zaire's copper exports went out this way—at least 50 per cent. now goes through South Africa—but because 90 per cent. of Shaba's imports came in that way.

Copper production requires a high level of imports and Gecamines, the State mining company, could not get the oil it needed.

However, the root cause of the problem is that Zaire's economy has not been particularly well managed. The sensible course for a predominantly one-export economy is to accumulate reserves during the good years in anticipation of the lean ones, or alternatively to use those reserves to diversify the economy.

Zaire has done neither. On the top of this it has, since the late 1960s, borrowed prodigiously from Governments, world agencies and private banks. No one knows quite how large Zaire's foreign debt is, but it could total $3bn.

Little of this money was used to build up the economic base of the country but was employed for prestige schemes, which Zaire could have delayed. It was one of the first developing countries to buy DC 10s for its national airline. Over $80m. was spent on 17 Mirage fighters from France when it had few pilots to fly them. Prestige buildings were built and a world heavyweight boxing championship was staged here.

Inflation

The result, apart from raging inflation, which reached 100 per cent. last year, was that by the end of 1975 Zaire had a balance of payments deficit of $730m. Its reserves were, to all intents and purposes, exhausted and it was defaulting on payments of its foreign debts.

Last year copper production rose (to 440,000 tons of copper and copper equivalent) and the price fortunately picked up. Diamond exports improved. Under the auspices of the IMF, a stabilisation programme was introduced which included import controls, slashing the budget deficit to Zaire 260m. ($312m.) from four times that much, and a devaluation of the Zaire of 62 per cent.

The payments deficit for 1976 dropped to $480m. This year, if the copper price improves and if imports are held to $850m., there could be a considerable improvement.

Zaire's private creditors, including Citicorp Bank, have said that if Zaire repays the $90m. outstanding on principal they might arrange a further $250m. loan. The Paris club of creditor Governments last June began the process of rescheduling Zaire's official debt. This could mean an interest payment burden of only $110m. this year on top of the $90m.

With the IMF loan of $85m. announced this week, Zaire's payments situation could be reasonable in 1978 and better thereafter. This year, however, foreign exchange is going to be severely short.

This is going to mean more goods shortages. There is, for example, a scarcity of eggs in Kinshasa, even though South Africa supplies credit of $5m. a month to import those—among other things. In Shaba there is a shortage of practically everything. Petrol costs £10 a gallon if it can be found.

The invasion has been expensive. Whether he can now drive the invaders back across the Angolan border or not, President Mobutu needs to put his economic house in order and come to terms with his neighbour, President Neto.

If, however, President Mobutu continues to harbour groups like the FNLA (National Front for the Liberation of Angola) which was defeated in the Angolan civil war by President Neto's MPLA and has since been mounting raids into Angola from Zaire—then President Neto will presumably feel entitled to do the same with Zairean exiles. And President Mobutu may not be able to deal as successfully with another invasion.

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AMERICAN NEWS

Japan, Bonn policies meet criticism at IMF talks

BY JUREK MARTIN WASHINGTON, April 28.

THE ECONOMIC POLICIES of the West German and Japanese Governments came in for some mild criticism at this morning's opening session of the Interim Committee of the International Monetary Fund here this morning.

While painting a guardedly optimistic picture of the world economy, and while maintaining that no major industrial nation should run the risks of reignting inflation by excessive stimuli both Dr. Johannes Witteveen, the IMF's Managing Director, and Mr. Emil van Lennep, Secretary General of the Organisation for Economic Co-operation and Development, discreetly suggested that both countries might find it necessary to adjust their policies.

Dr. Witteveen said that a five per cent. German growth rate in 1977 would be acceptable, and Herr Apel, the German Finance Minister, predicted in his address that this would be achieved. However, the release this afternoon of a forecast by West Germany's five leading economic institutes that the country's real growth rate will be less than five per cent. went far from unnoticed here.

The consensus view seemed to be expressed in Mr. van Lennep's remarks. He noted the doubts about the strength of export demand in both countries and went on, "it is difficult to say whether further adjustments in policy may be required but given the uncertainties and the instability of expectation concerning both growth and inflation, it seemed quite possible that they will be needed."

There is considerable scepticism among the major industrialised nations that Japan will be able to achieve its targeted growth of 6.75 per cent. this year. The fear is that this could only be reached on the back of an export boom which would much disturb those countries who are already worried enough about the volume of Japanese exports.

This morning's session was devoted entirely to a largely general and non-controversial discussion of the world economy. Substantive issues, such as the size of the new Witteveen facility increasing the IMF's lending resources, an IMF quota increase, and surveillance of exchange rate policies, will probably not be taken up until later to-day or to-morrow.

The suspicion remains, however, that though agreement in principle on the Witteveen facility will be reached at this meeting, details will have to be worked out later. There has reportedly still been no firm commitment from Saudi Arabia, expected to be the largest OPEC contributor, though one participant at this morning's meeting said that "encouraging noises" had been received.

Mr. Denis Healey, the Chancellor of the Exchequer and current chairman of the Group of Ten, addressed the Interim Committee on behalf of the EEC. He expressed support for the major role that would have to be played by the IMF in the adjustment process and emphasised the need for gradualism in economic policies over a number of years.

As was expected, he welcomed in principle Dr. Witteveen's proposals to expand the IMF's resources. He endorsed the concept of a further quota increase without suggesting how large this might be, and voiced the EEC's reservation about an unconditional new issue of Special Drawing Rights. The problem with SDR's was not so much that there was a shortage of liquidity but that its distribution and quality needed to be closely determined.

In the margins of this meeting there is some sensitivity that the OECD safety net proposals are being relegated to the background. There is so much general agreement on the Witteveen facility that some nations feel that the OECD fund, which has received minimal ratification so far from individual nations, is being given less than its due consideration. The Japanese, whose Parliament has endorsed the OECD fund, are understood to be especially sensitive about this.

Oil giants accused of excess price rises

WASHINGTON, April 28.

THE U.S. Federal Energy Administration has charged 20 oil companies with inflating imported crude oil costs by $336m. in transactions with their foreign affiliates.

The agency has issued notices to the companies proposing to disallow the excess costs and giving them 10 days to contest the alleged overcharges.

Among the largest alleged overcharges were those claimed to have been made by Gulf Oil Corp ($79.6m.); Standard Oil of Indiana ($54.9m.); Atlantic Richfield Co. ($50.2m.); Texaco ($31.7m.); Sun Oil Co. ($28.9m.); Phillips Petroleum ($15.5m.); Marathon Oil ($18.1m.); Mobil Oil ($11.5m.); and Union Oil Co. ($14.5m.). AP-DJ

Richard Johns adds: The $336m. being claimed back from the oil companies resulted from a misinterpretation of instructions issued by the Federal Energy Agency during the period of progressive OPEC price increases and the initial six-months Arab embargo on the U.S.

The companies were only permitted to raise their prices once a month by specified amounts. An official of the FEA said that companies concerned had sometimes done so too frequently and by too much.

They will now be required to refund the consumer by cutting a cent or two from the right number of gallons

Detente stalled by Soviet need for military—IISS

BY IAN DAVIDSON

IF THE EXPANSION of the Soviet Union's military power has continued unchecked by any of the moves towards détente between the super-powers, the most plausible explanation is that the Soviet Union relies almost exclusively on its military might for the exercise of international influence.

This is one of the main conclusions of the latest issue of Strategic Survey, the annual report by the International Institute for Strategic Studies (IISS) which is based in London.

In its lead editorial, the IISS says: "Economically uncompetitive, culturally repressive and ideologically increasingly barren, her primary claim to global power and influence is military might." Soviet spending on development aid is minimal, it says, while the Soviet Union is dependent on the U.S. for agricultural imports, and on western bankers for credit.

From this analysis, the IISS draws two conclusions. The first is that, despite the high economic cost of its military budget (estimated at 11-13 per cent. of GNP), the Soviet Union is unlikely to see an acceptable bargain in any reciprocal arms control negotiations with the West. For, while both sides would be giving up military capabilities, the Soviet Union would also be surrendering part of its only instrument of political influence in the world. The IISS claims that this conclusion is confirmed by experience so far in arms control negotiations.

The second conclusion is that Soviet political influence will be greatest at times, and in places, of conflict. As an example, it adduces the breakdown of the Geneva talks on Rhodesia, and the subsequent increase in Soviet involvement and influence in southern Africa.

Soviet reliance on military power is likely to be intensified, the IISS argues, by the emergence of domestic challenges to Soviet control, both inside the USSR and in eastern Europe.

Strategic Survey, 1976, from IISS, 18 Adam Street, London, WC2, price £1.85.

U.S. halts Ethiopia arms

PRESIDENT CARTER has stopped all arms deliveries to Ethiopia following the Ethiopian decision to close most U.S. facilities there, U.S. government officials told Reuter in Washington. Nearly $100m.-worth of previously approved military supplies have been affected, they said. Ethiopia had been expecting deliveries of F-5F fighter aircraft, and M-60 tanks and ammunition, they said. Ethiopia's left-wing military Government is expected to ask the Soviet Union to make up any deficit caused by U.S. arms cancellations, they said. The USSR agreed in December to supply Ethiopia, which for 20 years had relied almost entirely on the U.S. for military equipment. The U.S. turned down an Ethiopian request for $65m.-worth of ammunition within the last two months, the sources said. An offer to supply a smaller amount received no reply. In late 1976, the U.S. Defence Department wanted to stop arms aid to Ethiopia, but the State Department opposed the move, the sources said. But the Addis Ababa Government had not used U.S. arms credits extended last year. Relations between the U.S. and Ethiopia deteriorated following the overthrow of Emperor Haile Selassie three years ago and the marked left-wing swing of the revolutionary military Government there. Last Saturday the Ethiopian Government informed the U.S. mission in Addis Ababa it had 96 hours to close five U.S. installations and repatriate the estimated 325 staff and dependents. The deadline was later relaxed.
Reuter

Venezuela finance commission

By Joseph Mann

CARACAS, April 28.

ALL OF Venezuela's State-owned financial entities are to come under the control of a permanent presidential commission, headed by the Minister of Finance, to provide an "efficient mechanism" for co-ordinating official financing programmes, the Government announced to-day.

The decision, reached at this week's Cabinet meeting, means that the Venezuelan Investment Fund (VIF)—the Government's multi-billion dollar reservoir for petroleum revenue—is to acquire all stock in the State's diverse financial entities, and consequently any holdings these bodies may have in private financial institutions. This will be the first step towards the creation of the State Finance Corporation, an agency which will oversee the Government's extensive funding programmes for public and private sector projects.

Besides the Minister of Finance, the new presidential commission will be made up of the Minister of Planning and the head of the VIF, State Minister Constantino Quero Morales.

The take-over by the Venezuelan Investment Fund will involve state agencies such as the Venezuelan Development Corporation, the Banco Industrial, the agricultural and industrial development funds and other bodies which manage billions of dollars in credits.

New Alberta tar sands venture

BY ROBERT GIBBENS MONTREAL, April 28.

PACIFIC Petroleums, owned by Phillips Petroleum of the U.S., is joining Amoco Canada and the Alberta Oil Sands Technology and Research Authority in a $16m. pilot project to test Amoco's in situ method of tar sands oil production.

Pacific Pete will put up $5¼m. for the cost of pilot plant to earn a 12½ per cent. interest in the project and an option to buy a 15 per cent. interest in 100,000 acres of oil sands permits in the Gregoire Lake area, near Fort McMurray, Alberta.

The Amoco method uses heat and water-flooding to separate bitumen from sand in deposits well below the strip mining level. Amoco has been researching the method for nearly 20 years, and has shown its possibilities in the laboratory. The pilot plant would produce 1,000 barrels daily of crude oil by 1980. After that a decision would be taken on a commercial-sized plant.

A new pattern of development for the sands is emerging, with more diversified groups being formed to handle future projects because of the immense costs involved.

The joint government-private tar sands mining project, Syncrude, is now being completed and is due to start up next year. The cost will be at least $2bn., shared between the federal government, the Alberta and Ontario governments, and several oil companies led by Imperial Oil (Exxon). Capacity will reach 125,000 barrels daily of semi-processed oil which will go to the new Imperial refinery at Edmonton.

Syncrude, if it meets the cost expectations, could be increased in capacity in the eighties, and some planning is now in progress. The Great Canadian Oil Sands plant, also based on strip-mining, produces 50,000 barrels daily nearby. But these two mining projects may well be the last. Other companies such as Shell and Fina have indefinitely delayed mining projects thought possible a decade ago on grounds of immense cost and environmental uncertainties.

But in situ type extraction processes are now coming into the foreground, although they do not offer any significant savings in capital costs. These projects involve technology which gets at the tar sands deposits up to 2,000 feet down from the surface, and which are too deep for strip mining.

Canada LNG plant study

BY ROBERT GIBBENS MONTREAL, April 28.

THE FEDERAL Government, through the national oil company Petro-Canada (which has taken over the Federal 45 per cent. ownership of Panarctic Oils) has awarded a contract for study of an Arctic natural gas liquefaction plant and LNG shipping terminal to three international firms.

The feasibility study for the shipping end of the Arctic LNG project has already been awarded to a consortium of primarily Canadian shipping companies. The LNG plant and terminal feasibility study will be done by MHG International, a joint-venture of Menenco, Canada's largest consulting engineering group; and Humphreys and Glasgow, the U.K. engineering group; Fluor of Canada, the Canadian arm of Fluor Corp. of the U.S., the major energy industry engineer-construction group; and Carr and Donald and Associates, the Toronto consulting engineers.

The value of the contract is $1.2m. and results of the study have to be in by next September 1, the same date as for the shipping study.

Cuba and U.S. sign two fisheries agreements

BY RICHARD JOHNS WASHINGTON, April 28.

THE THAW in U.S.-Cuba relations has gone a stage further with the signing of two fisheries agreements in Havana yesterday following the first direct, official talks since the complete rupture of ties in 1961.

The first agreement lays down the provisional delimitation of fishing zones between the two countries, which are separated by only 90 miles of water. The second covers Cuban participation in surplus fishing of the allowable catch elsewhere in the U.S.'s 200-mile zone. The negotiations, which began in New York last month, were made necessary when both the U.S. and Cuba claimed 200-mile offshore limits earlier this year.

They were concluded by talks in Havana this week between Sr. Pelegrin Toras, the Cuban Deputy Foreign Minister, and Mr. Terence Todman, the U.S. Assistant Secretary of State for Inter-American Affairs, the first senior American official to visit Cuba in the past 16 years. On his return to Miami this morning, Mr. Todman deliberately evaded reporters and no details of the agreements were available in Washington to-day. Radio Havana said that they would be made known "in due time."

At the same time, the Cuban Government has told the U.S. that it will not formally renew the anti-hijacking treaty which expired on April 15. This accord was reached in 1974 via third parties but was effectively abrogated by the Castro regime last autumn at the same time as it accused the CIA of being responsible for the crash of a Cuban airliner off the Bahamas coast.

President Castro has made renewal conditional upon the ending of the U.S. trade embargo, which Cuba desperately needs to revive its flagging economy. But Havana has indicated that it will act within the spirit of the treaty as far as the reciprocal return of hijackers is concerned.

With the extension of offshore limits the two countries had little choice but to reach new arrangements for fisheries. But the accords follow a number of other developments towards the normalisation of relations.

This year the U.S. has lifted restrictions on the travel of American citizens to and from Cuba while the Treasury has allowed them to spend U.S. dollars on the island. A delegation of Senators has visited Cuba and was received by President Castro. Last week a 51-man trade delegation received a big welcome and was told of Cuba's desire for trade relations. For its part, the Soviet Union, weary of subsidising the Cuban economy to the tune of $3m. a day, would approve resumption of commercial dealings. Exports of rum, cigars and sugar would give Cuba badly needed hard currency.

Mr. Cyrus Vance, the U.S. Secretary of State, has said that there are no pre-conditions on talks about talks. President Carter, however, has laid down pre-conditions for a normalisation of relations, including Cuban action to observe human rights, the release of political prisoners and compensation for sequestered American property.

Given the will to put relations on a new basis, however, these pre-conditions could remain fairly elastic and the biggest sticking point in practice would be Cuba's overseas policies and direct involvement in supporting Communist regimes.

WORLD TRADE NEWS

Daimler commercial vehicles may be assembled in U.S.

BY GUY HAWTIN

FRANKFURT, April 28.

DAIMLER-BENZ, the West German motor manufacturer, is having talks which could lead to assembly of its commercial vehicles in the U.S. There is nothing in the negotiations to cover assembly of its cars, which are very popular in the U.S. market.

Daimler-Benz has been exporting small numbers of lorries to the U.S. in recent years, and there has been intense speculation that the German company, and also Volvo, of Sweden, would at some stage mount a major attack on the North American market.

The prospective U.S. partner for Daimler-Benz is the White Motor Corporation. Under discussion are plans for White to assemble commercial vehicles from parts shipped to the U.S. from West Germany, and then sell them through its own distributor network. White is also interested in using Daimler-Benz diesel motors in its own commercial vehicles.

Daimler-Benz to-day confirmed that talks are taking place, but said that no agreement had yet been reached. A spokesman said it was possible that an announcement would be made within a week to 14 days. The Stuttgart-based concern is also planning to purchase White's motor division subsidiary under a separate deal negotiated last year. This will probably be finalised in May. Daimler-Benz, however, declined to give details, either of the terms of the deal or of Euclid's sales figures.

If an assembly agreement with White can be made, it will give Daimler-Benz an important start in the U.S. commercial vehicles market. Already, it controls a large share of the U.S. imported luxury car market, one that appears to be limited only by production capacity. Its 1977 car sales target is 47,000 units, up from last year's 42,000.

● The West German federal statistical office has announced that the country's March trade surplus totalled DM4.2bn. (£1.03bn.)—an increase of 55.6 per cent. on February's DM2.7bn. and 5.8 per cent. ahead of the DM3.97bn. recorded in March, 1976. The federal republic's trade surplus in the first quarter of the current year, therefore, stands at DM9.1bn.

West German exports in March totalled DM25.82bn. (£6.34bn.) and were 23.1 per cent. higher than February's DM20.98bn. They were also 12.5 per cent. up on the DM22.95bn. of March, 1976.

Imports, on the other hand, moved ahead by 18.5 per cent. from February's DM18.25bn. to DM21.63bn. (£5.3bn.). Compared with the previous year, they grew rather more quickly than the federal republic's exports, rising by 13.9 per cent. against the DM18.99bn. recorded in March last year.

The country's balance of payments also moved powerfully back into surplus after February's revised DM100m. deficit. The March surplus totalled DM2.5bn., only slightly down on the DM2.6bn. of March, 1976. Last month's performance brings the West German first quarter payments surplus up to DM2bn. (£491m.).

Japan vehicle exports up

TOKYO, April 28.

JAPAN'S vehicle exports in fiscal 1976 rose 27.7 per cent. to a record 3.82m. units from 1975's previous record of 2.99m., the Japanese Automobile Manufacturers Association said yesterday.

The total comprised 2.59m. passenger cars, up 24.5 per cent. from fiscal 1975, 1.21m. trucks, up 34.8 per cent. and 20,000 buses, up 33 per cent.

The association said the U.S. was the biggest customer for Japanese vehicles with 1.36m. units, up 21.4 per cent., followed by Australia with 284,800, up 27.9 per cent., and Saudi Arabia with 235,900, up 66.6 per cent.

The association said exports to Britain rose 17.2 per cent. to 150,400 units. It said March exports rose 12.4 per cent. to 363,600 from 323,500 in February and 9.6 per cent. from 331,700 in March last year.

DIESEL-POWERED FIATS PLANNED

TURIN, April 28.

DIESEL-POWERED versions of the Fiat 131 and 132 models will be shown to the public at the end of this year, Mr. Giovanni Agnelli, the company chairman said to-day. They will go on sale during the 1978-79 model year and will be produced initially at the rate of 150 daily.

The vehicles will be powered by a new four cylinder diesel engine designed by Fiat truck division but intended specifically for use in cars.

Major ship order for Norway expected

By Fay Gjester

OSLO, April 28.

FOUR NORWEGIAN shipyards are hoping for orders worth some Kr.640m. (£71.1m.) from Egypt, following a Norwegian Government decision to guarantee low-interest loans for this amount to Egypt by Eksportfinans, the Norwegian commercial banks' financing and export credit institute.

A financing agreement was signed in Cairo yesterday by representatives of Eksportfinans and the Egyptian authorities.

The deal is the second largest of several such agreements Norway has recently concluded with underdeveloped countries in an attempt to keep its shipyards busy through the current world slump.

The loans are reasonable (interest rates are subsidised under Norway's development aid allocations), and sometimes grants are given for training seamen from the country concerned, as part of the contract package.

The contracts which Norway hopes to win in Egypt concern equipment for the Suez Canal, including tugboats, maintenance vessels and floating docks, small cargo ships for Egypt's State-owned fleet, and a hotel ship designed for traffic on the River Nile.

Representatives of the four yards concerned — Ankerloekken, North West Engineering, Vestlandske Fartygbyggjarlag and Framnes Mek Verksted — are currently in Cairo negotiating with the prospective buyers.

They hope to agree terms quickly, so that work on the ships can start soon enough to permit delivery next year.

£43m. Irish project

Fieldcrest Mills of North Carolina, has agreed in principle to take part in a joint venture to build a Terry Towel mill at Kilkenny, Irish Republic, to make towels, mainly for the European market.

The U.S. company's partners, each of whom will own a 25 per cent. interest in the joint venture, will be the Bank of Ireland and P. M. Carroll. The project, which will have total net assets of about £43m., is regarded as an important breakthrough in industrial development in the Irish economy.

EUROPEAN AEROSPACE

Warning to Britain over Airbus project

BY DAVID CURRY

PARIS, April 28.

THE BRITISH company Hawker Siddeley—part of the newly-nationalised aerospace industry—will have no practical chance of winning the order to build the wings for the proposed medium-range B-10 version of the European Airbus without the formal participation of the U.K. in the consortium.

This was spelled out last night by Mr. Bernard Lathiere, managing director of the Airbus consortium—in which Hawker Siddeley has a small private stake but which is essentially a Franco-German affair through Aerospatiale of France and MBB and Fokker VFW. The U.K. withdrew from the project in 1968.

Mr. Lathiere was also sharply critical of Rolls-Royce stating that the consortium had several times asked the British State-owned company to submit proposals for an RB-211 powered version of the Airbus. "We have still not had a reply. We are waiting, waiting and waiting," he commented.

In contrast, the American concern, Pratt and Whitney had already furnished proposals for a JT-9 powered Airbus and several potential purchasers were interested in this concept. The current versions of the Airbus are powered by American General Electric units.

The consortium, M. Lathiere emphasised, was delighted with Hawker Siddeley's technological, financial and delivery performance in supplying the wings for the existing Airbus. They wished to see the U.K. back in the project.

No hope

From a practical political point of view, there was no hope of getting the French and German Governments to finance Hawker Siddeley's development of a new wing for the B-10 which would be coming into service around 1984.

Current priority was to expand the range and take-off weight of the Airbus, hoping to achieve non-stop flights between Paris and the Gulf. The long-range version of the B-4—nicknamed Daddy Long Legs—would have 80 per cent. of the range of a Boeing 707 or a DC-8 with half the fuel consumption, M. Lathiere claimed.

On the sales side, he said that the failure to win the expected order from Western Airlines had been a setback but that as a result of the closeness of the competition, the Airbus had gained credibility in the U.S. Eastern Airlines had examined the Airbus and although the company was in no financial position to make any decision this year, "we are not without hope," Mr. Lathiere remarked.

The recent order from Thai Airways for two aircraft and two options—the first sales for more than a year had been doubly welcome, because the Airbus would fly on the airline's international route where it would receive useful publicity.

The Airbus has, up to now, won 37 firm orders and 23 options. A total of 32 aircraft are in service with Air France and the South Korean National Airline being the biggest users. Mr. Lathiere estimated that there was a reasonable hope of a market of around 120 to 130 aircraft based on existing and potential clients.

Questioned on the prospects of the Airbus supplying at least a partial replacement for the Air France Caravelle fleet, he asserted that the national airline should not be treated as an object of short-time Government policy and as a form of relief for the aircraft industry.

Caravelle

The Caravelle replacement is one of the Government's biggest aviation headaches. It is widely believed that a deal could be struck permitting the airline to buy the Boeing 737's it has always hankered after in return for the American company supplying compensation to France, essentially by giving to Aerospatiale the job of re-equipping 707s with the General Electric-Snecma CFM-56 engine.

But there is still strong hostility to the solution in Government and aviation circles even though it has received the surprise endorsement of a leading Socialist figure, M. Michel Rocard.

In any event, the co-operation between Dassault of France and McDonnell Douglas who developed a second generation Mercure seating around 180 passengers, seems completely stillborn.

Douglas is doubtful about the viability of the Mercure which was a notable failure in its original version and which could compete with any eventual Boeing 7X7 and Douglas's own possible DCX-200 aircraft and Douglas is also interested in the possibility of stretching the life of its DC-9 model.

The French do not think that Douglas's own projects are compatible with the development of the Mercure and are afraid that they would increase the competition for the Airbus.

Sporadic discussions between the U.K. and France over British participation in the Airbus have taken place over the past year. But while the U.K. had been put off rather by the French interest in the Mercure project, the French themselves think that the U.K. is basically much more geared towards participating in American projects.

On the British side, the long and painful birth of the nationalised industry has inhibited decision-taking.

Editorial Comment Page 22

India eases import curb on industrial equipment

BY K. K. SHARMA

NEW DELHI, April 28

LIBERAL imports of raw materials and equipment are to be permitted in the financial year 1977-78 by the Indian Government to enable industry to make full use of existing capacity and boost the country's exports still further.

Exports in 1976-77 are expected to exceed the target of R.48bn. (roughly £3bn.), showing a rise by just under 30 per cent. over the previous year.

The new import policy was announced by the Commerce Minister, Mr. Mohan Dharia, who said the list of items for import that will not need licensing has been substantially expanded.

Another feature of the policy fulfils the New Government's commitment by allowing small industrial units to make increased imports of raw materials and capital goods by 20 per cent.

Many procedural hurdles for imports have been abolished—such as income tax verification, compulsory export obligation on certain importers—while official agencies making imports are to be allowed to make direct allotments of raw materials to industries. Registered exporters will now be able to obtain imported raw materials at international prices.

Mr. Dharia said that new import policy is based on "trust" in the hope that the liberalisation and relaxations would not be misused.

To register its impact, a special cell is being constituted at the office of the chief controller of imports and exports to monitor the situation round the year and take suitable remedial measures when necessary. Mr. Dharia said those whose misused the new facilities would be dealt with harshly.

The aim of the policy is to take the country faster towards self-reliance and shed dependence on foreign aid. It has become possible because of the record level of foreign exchange reserves which are now at the $3bn. level, showing a rise of over $1.5bn. in the past year.

Emirate station opens

By Kathleen Bishtawi

April 28.

THE WORLD'S largest public service telecommunications earth station was inaugurated to-day by UAE President Sheikh Zayed in the northern Emirate of Ras el Khaimah.

At the opening ceremony Sheikh Zayed made the first-ever videotape telephone call from the Middle East and talked with King Khalid of Saudi Arabia, who is presently convalescing in London.

The Jebel al Ashker earth station is owned by the Ras al Khaimah Telecommunications Authority (RAKTA) and will be managed by Cable and Wireless, who also acted as the project consultants. It was built at a cost of £6.5m. by the German company Siemens, who were the main contracters with Krupp and AEG Telefunken as sub-contracters.

Far Eastern shipping rates

By Roy Rogers

THE FAR Eastern Freight Conference, representing 28 shipping lines from 18 countries, is to increase its charges from 12.5 per cent. as of July 1. Originally the conference intended lifting its rates by 13.75 per cent., but this was reduced after stiff resistence from shippers' councils, particularly in the Far East.

Far Eastern shippers remain unhappy at the scale of the proposed charges, and some might well switch their trade to the Trans-Siberian Railway, which continues to undercut shipping conference rates.

Hong Kong and other shippers are to send representatives to London to consult accountants retained by the conference to assess the effects of inflation on running costs since the last rate increase in January, 1976.

July change in U.K. customs duties

By Michael Lafferty

AN IMPORTANT change in the way in which customs duties are charged on goods entering the United Kingdom is to take effect at the beginning of July.

From that date duties will be assessed on the value of the goods which eventually enter the U.K. on the basis of the value which the goods had at the time they first entered the EEC Community, rather than a U.K. port as at present.

Tables will be issued by H.M. Customs and Excise setting out what adjustments are necessary where the goods are transported by air or over land. The change is part of the final stages of the harmonisation of all EEC tariffs.

Footwear exports

By James McDonald

Although British footwear exports in the first two months of this year, valued at £13.6m., were 50.6 per cent. higher than in the same period of 1976, there was again an imbalance of trade with imports amounting to £43.83m.—49.S per cent. up on a year ago.

Shell in joint venture to set up Dutch aroma chemicals plant

BY MICHAEL VAN OS

AMSTERDAM, April 28.

SHELL Internationale Chemie and Naarden International are to set up a joint company in Holland to manufacture and market Aroma chemicals on the basis of petro-chemicals as raw material.

The two companies said that, using existing manufacturing facilities, initial production could start in 1978 and that an annual sales level of about Fls.50m. was aimed at. No indication was given regarding the planned investments, which was still subject to negotiation.

Aroma Chemicals are mainly used in the production of fragrance compositions which are essential ingredients of soaps, detergents, household products, toiletries, cosmetics and fine perfumery. Naarden claims to be the world's second largest fragrances and flagrants manufacturer and exports the lion's share of production.

The joint statement, published to-day, said that the two companies have recently completed a study of the aroma chemicals market and of the potential impact of petrochemical technology on that market. The 50-50 joint venture would draw on the combined expertise of the partners.

It is understood that the first production plant, which will be financed by Shell and that output will be sold to Naarden as well as other interested parties. It is pointed out that the transaction will not affect other operations of the two companies, including Naarden's aroma chemicals manufacture, which are based on non-petrochemical raw materials, which are located in Holland and elsewhere in the world.

Through the co-operation Shell can apply the results of its research in a wider field while Naarden would gain access to additional technology, too expensive to be developed for aroma chemicals production alone, the statement added.

The first production ate would be the manufacture of a range of terpenoid products starting from turpentine and petrochemical materials. Naarden commented that the joint venture was aiming to achieve a leading world position in the sector of aroma chemicals.

Israel deficit with EEC falls

BY L. DANIEL

TEL AVIV, April 28.

ISRAEL'S trade deficit with the Common Market declined by 14 per cent. in 1976—the first full calendar year since the signing of the new free trade agreement between the EEC and Israel in May 1975—thanks to a 22.5 per cent. rise in Israeli exports as against a rise of 1.5 per cent. only in imports from the market.

However the gap still remains very wide: As against Israeli sales to the EEC worth $886m. last year (37 per cent. of Israel's overall exports), her purchases from Europe came to $1.77bn.

Moreover, the composition of sales to the EEC is heavily weighted in favour of consumer goods—fresh and processed agricultural produce, diamonds, and textiles—which between them account for over 70 per cent. of total Israeli sales to the market.

No less than two-thirds of Israel's overall exports of fresh and processed food go to the market, and over half of her textile, fashion and leather goods are sold abroad.

On the other hand, metal products, such as car spare parts, and electronic equipment, make up only 13 per cent. of sales to the EEC, whereas they account for over a third of Israel's trade with most other parts of the world.

It is hoped that the agreement on technical and industrial co-operation concluded in February this year will help in correcting this situation.

Two working parties are scheduled to go to Germany and bilateral talks on industrial co-operation are to be held with France and Italy.

These talks are to cover the chemicals, metals and electronics industries.

July 1 this year will mark the elimination of the market's duties on Israeli industrial products, as well as the beginning of the reduction of Israeli customs. The cut for this year will be 5 per cent.

● Reports here earlier this week that a Soviet trading company had proposed supplies to the Israeli printing and paper industries via its Paris office have proved incorrect.

The offer was in fact made by a German company which has branches in Moscow, Paris, and other European capitals.

However, the shortlived flurry caused by the initial report has directed attention to Israel's trade with the countries of Eastern Europe, none of which have diplomatic relations with Israel apart from Romania.

While trade with Romania naturally heads the list with commercial exchanges between the two countries currently valued at $60m. per annum, the combined total for the other Eastern Bloc countries (excluding the Soviet Union), roughly equ

More Nigerian import controls

BY OUR OWN CORRESPONDENT

LAGOS, April 28.

A SPECIAL committee set up to review Nigeria's financial system has recommended further import restrictions in order to conserve the country's foreign exchange.

A committee set up a year ago and headed by Doctor Pius Okigbo, former economic adviser to the Federal Government, said the Government should begin shortly to restrict the manner in which foreign exchange reserves were used for "conspicuous and luxury consumption."

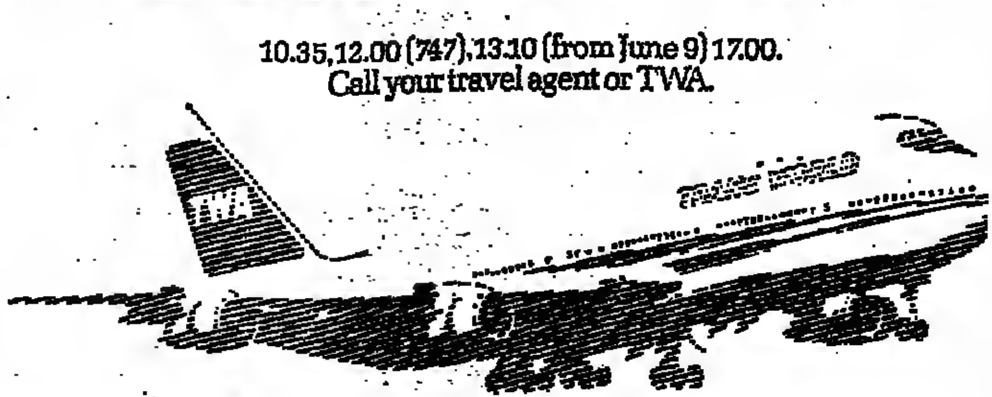
It urged that policy measures on the use of foreign exchange reserves should give priority to the import of plant and machinery necessary for the country's rapid economic development.

The committe reckoned that moves should be made in the direction of using the foreign reserve base to attract foreign loans at reasonable rates of interest for developing the productive capacities of the economy.

It said the exchange control machinery should be strengthened to ensure a flow of funds to priority areas while the import list should be heavily screened with a view to curtailing more sharply the import of prestige and luxury items which have been on the increase despite import duties.

On commercial banks the committee recommends that they should undertake more medium and longterm lending to priority economic programmes and they should be brought under Nigerian control.

It urges the Federal Government to give incentives to local and foreign banks to establish themselves in rural areas while *permission* should be given to private Nigerians to establish banks provided the aggregate Nigerian interest in any such bank is not less than 60 per c



ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM 01-836 5161 Evgs. 7.30 Mat. Tomor. at 3.0 Sat. Mat. May 7 at 2.45 LONDON FESTIVAL BALLET Ton't and Tomor: The Golden Cockerel, Etudes. May 2 to 7: Sleeping Beauty.

COVENT GARDEN. 240 1066 (Gardencharge credit card booking 836 6903). THE ROYAL OPERA Tonight, Tues. & Thurs. 7: Faust. Tomor. & Wed. 7.30: La Traviata. Please note changes: Sylvia Sass (Violetta), Jacques Delacote (Conductor). 65 Amphi seats for all perfs. on sale from 10 a.m. on day of perf.

SADLER'S WELLS TH. Rosebery Ave. EC1. 837 1672. SADLER'S WELLS ROYAL BALLET Eves. 7.30. Mat. Sats. 2.30 Tonight & Tomor. The Four Temperaments, Prodigal Son, The Lady and the Fool. Mon., Tues. & Wed. Coppelia. Thurs. Birdscape Gemini, Pineapple Poll.

THEATRES

ADELPHI THEATRE. 01-836 7611. Evgs. 7.30. Mats. Thur. 3.0 Sats. 4.0. IRENE "LONDON'S BEST NIGHT OUT. SPECTACLE, CAPTIVATING TUNES AND RACY COMEDY." People. IRENE "SLICK, SUMPTUOUS — THE MUSICAL IRENE HAS EVERYTHING." D. Express. IRENE INSTANT CONFIRMED CREDIT CARD BOOKINGS ON 01-836 7611

ALBERY. 836 3878. Evenings 8.00. Sat. 5.00. 8.15 sharp. National Theatre Production EQUUS By Peter Shaffer. Directed by John Dexter "STUNNING AND COMPELLING." Std.

ALDWYCH. 836 6404. Inf. 836 5332. ROYAL SHAKESPEARE COMPANY in repertoire. No perfs. until 5 May but now booking for Shakespeare's KING LEAR and David Edgar's DESTINY. Box Office open daily 10.00 to 8.00. RSC now at Piccadilly Theatre in WILD OATS

AMBASSADORS. 836 1171. Evgs. 8.00. Tues. 2.45. Sat. 5.30, 8.30. Seats £1.25 to £3.50 or Dinner-Top price seat £6.50. NIGEL PATRICK, PHYLLIS CALVERT in DENIS CANNAN'S DEAR DADDY "THE MOST SUBSTANTIAL NEW PLAY IN TOWN." Observer. PLAY OF THE YEAR (Society of West End Theatres Award '76)

APOLLO. 01-437 2663. Evenings 8.0. Mat. Thurs. 3.0. Sat. 5.0 and 8.30. JOHN MILLS, JILL BENNETT, MARGARET COURTENAY, ROSS HILL, RAYMOND HUNTLEY, AMBROSINE PHILPOTTS and ZENA WALKER in TERENCE RATTIGAN's SEPARATE TABLES Directed by MICHAEL BLAKEMORE "THEATRICAL MAGIC." S. Express.

BROADWAY Maida Vale (End of Edgware Road) 328 3490. LINDSAY KEMP & COMPANY in SALOME with ANTON DOLIN as Herod OPENS Tue 7 (prev Mon 6) Subs Eves 8 Saturdays 6 and 9 FILMS: Fri 6 May at 10.30pm Sat 7 May 11.00pm Pasolini's THE GOSPEL ACCORDING TO ST. MATTHEW.

CAMBRIDGE. 836 6056. Mon.-Thur. 8. Fri., Sat. 5.45 and 8.30. IPI TOMBI "PULSATING MUSICAL." Evg. News. 2nd GREAT YEAR Dinner-Top price seats £7.00 incl.

COMEDY. 01-930 2578 Evenings 8.00. Mats. Thurs. 3.00. Sats. 5.30 and 8.30. Winner of all 1975 Awards BEST PLAY OF THE YEAR NYWEL BENNETT in Simon GRAY'S OTHERWISE ENGAGED Directed by Harold PINTER

CRITERION. 930 3216 (Credit cards.) Evgs. 8.00. Sats. 5.30, 8.30. Thur. 3. "ALL ABOARD FOR LAUGHTER." S. Mir. LESLIE PHILLIPS SEXTET "FILLS THE THEATRE WITH SUNSHINE." D. Tel. "HILARIOUSLY FUNNY." N.o.W.

DRURY LANE. 01-836 8108. Evenings 8.0 sharp. Matinees Wed. and Sat. 3.0. A CHORUS LINE "VOTED BEST MUSICAL OF 1976."

DUCHESS. 836 8243. Evenings 8.00. Fri. and Sat. 6.15 and 9.00. OH! CALCUTTA! "The Nudity is Stunning." D. Telegraph. 7th SENSATIONAL YEAR

DUKE OF YORK'S. 01-836 5122. Evgs. 8.0. Fri., Sat. 6.0 and 8.40. TERRY SCOTT, ANNA DAWSON DENNIS RAMSDEN, LYNDA BARON BEDFULL OF FOREIGNERS "GENUINELY HILARIOUS." Gdn. Seats from £1.00 to £3.00 also Dinner-Top price seat £6 incl. NOW IN 2nd SIDE-SPLITTING YEAR

ELLE et LUI. 01-437 5661. Walker's Court, Brewer Street, W.1. Twice Nightly 8.15 and 10.15. PAUL RAYMOND presents PENETRATION An Exotic Adventure in French pornography. "Good-looking men and women perform various permutations of the sexual act." Evening News. You may drink and smoke in the auditorium.

FORTUNE. 836 2238. Mon.-Fri. 8.00. Sat. 5.00 and 8.00. Mat. Thur. 3.00. AVRIL ANGERS and DEREK BOND in AGATHA CHRISTIE'S MURDER AT THE VICARAGE 2nd GREAT YEAR

GARRICK THEATRE. 01-836 4601. Evgs. 8.00. Fri., Sat. 8.00 and 8.40. FUNNY PECULIAR "More good laughs than any other play in London." Observer. NOW IN 2nd "OUTRAGEOUS" YEAR.

GLOBE. 01-437 1592. Evenings 8.15. Mat. Wed. 3.00. Sat. 6.00 and 8.40. THE BEST COMEDY OF THE YEAR ANNA MASSEY, PAUL EDDINGTON DONKEYS' YEARS "MICHAEL FRAYN'S delightful comedy." E. Standard. "Two hours of bubbling laughter." Daily Mirror.

GREENWICH. Crooms Hill, S.E.10 858 7755. Evgs. 7.30. Mat. Sats. 2.30. FRANK BARRIE, GALE HUNNICUTT and TREVOR BAXTER in THE ADMIRABLE CRICHTON by J. M. Barrie

HAYMARKET. 930 9832. Evenings 7.45. Mat. Wed. 2.30. Sats. 5.00 and 8.15. Googie WITHERS, John McCALLUM Christopher GABLE, Jennie QUAYLE Bill FRASER In Somerset Maugham's THE CIRCLE "Theatrical magic—acting of the highest order." Jack Tinker, Daily Mail.

HER MAJESTY'S. 930 6606. Evgs. 8 SHARP. Mats. Wed. 3. Sats. 5.15, 8.40. FIRE ANGEL LONDON'S NEW SPECTACULAR MUSICAL FIRE ANGEL.

KING'S ROAD THEATRE. 352 7488. Mon. to Thur. 9.00. Fri., Sat. 7.30, 9.30. THE ROCKY HORROR SHOW NOW IN ITS 4th ROCKING YEAR

LYRIC. 01-437 3686. Last 2 days. Tonight 8.0. Tomor. 5 & 8.30. JUDY CORNWELL, MICHAEL ALDRIDGE in THE BED BEFORE YESTERDAY by BEN TRAVERS "Still the funniest comedy in London." Daily Mail. "Wittiest sex comedy of the year." Daily Express.

LYRIC THEATRE. 01-437 3686. OPENS WED. MAY 4 at 7.00. Sats. Evgs. 8.00. Thurs. 3.00. Sat. 5.30 & 8.30. CELIA JOHNSON RALPH RICHARDSON ALAN WEBB in William Douglas Home's THE KINGFISHER Directed by Lindsay Anderson.

MAYFAIR. 01-629 3036. 493 2031. Eves. 8.15. Sat. 6.00 and 8.40 Pam Gems' DUSA, FISH, STAS AND VI "A FUNNY SPARKLING & VIVACIOUS PLAY." E. Stand. "BRILLIANT." D. Tel.

MERMAID. 248 7656. Food 248 2835. OH, MR. PORTER Original Musical written by Benny Green with music and lyrics of COLE PORTER Evgs. 8.00. Mats. Wed. and Sat. 5.00. DINNER-TICKET £5.95.

NATIONAL THEATRE. 928 2252. OLIVIER: Ton't 7.30. Tomor. 2.15 & 7.30 Blithe Spirit by Noel Coward. LYTTELTON: Tomor 3.30 & 7.45. Mon. 7 Birmingham Rep Co. in The Devil is an Ass. Over 100 excellent £1/£1.50 seats both theatres day of perf. from 8.30 a.m. COTTESLOE: Ton't & Tomor. 8 Strawberry Fields, a new play by Stephen Poliakoff. All seats £1 (day of perf.) or £1.50. Car park. Restaurant 928 2033.

OLD VIC RE-OPENS. 928 7616. JUBILEE FEST. OF BRITISH DRAMA by arrangement with WD and HO Wills PROSPECT THEATRE COMPANY Eileen Atkins as SAINT JOAN Derek Jacobi as HAMLET Timothy West in WAR MUSIC SEASON OPENS MAY 3 NOW BOOKING

PALACE. 01-437 6834. Mon.-Fri. 8.00. Fri., Sat. 6.00, 8.40. JESUS CHRIST SUPERSTAR

PALLADIUM. 01-437 7373. Tonight at 6.45. Tomor. 6.15 and 8.45. FRANKIE VALLI AND THE FOUR SEASONS MIKE NEWMAN, NOLAN SISTERS

PHOENIX THEATRE. 01-836 8611. Evgs. 8.15. Fri., Sat. 6.45 and 9 p.m. CARTE BLANCHE "SEXY, ELEGANT, SPECTACULAR AND SUMPTUOUS."

PICCADILLY. 437 4506. + Credit cards. Mon.-Fri. 8. Sat. 5.15 and 8.30. Mat. Wed. 3. ROYAL SHAKESPEARE COMPANY in "raucously funny" 18-century comedy WILD OATS "DAZZLING VIRTUOSITY FROM ALAN HOWARD." Daily Telegraph.

PRINCE OF WALES. 01-930 8681. Evgs. 8.00. Fri., Sat. 6.00 and 8.45. MICHAEL CRAWFORD MICHELE DOTRICE in SAME TIME NEXT YEAR "SIMPLY GREAT." Daily Mail. "TRIUMPH FOR CRAWFORD" E. Exp.

QUEEN'S. 01-734 1166 Evenings 8.15. Mats. Wed. 3.0 Sat. 6.0 and 8.40. COLIN BLAKELY MICHAEL GAMBON ROSEMARY LEACH in ALAN AYCKBOURN'S NEW PLAY JUST BETWEEN OURSELVES "An unqualified masterpiece." D. Mail.

THEATRES

RAYMOND REVUEBAR. 01-734 1593. At 7 p.m., 9 p.m., 11 p.m. (Open Sun.) PAUL RAYMOND presents THE FESTIVAL OF EROTICA FULLY AIR-CONDITIONED. You may drink and smoke in the Auditorium.

REGENT. 353 2707. Evenings 8.30. Friday and Saturday 7.00 & 9.15. OVER 1,000 PERFORMANCES 3rd ECSTATIC YEAR LET MY PEOPLE COME AN ADULT MUSICAL "Never a dull moment." Evening News. 100 tickets held for sale at door.

ROUND HOUSE. 267 2564. National Theatre present acclaimed science fiction show with rock band ILLUMINATUS! "Gloriously entertaining." Time Out. Limited Season Evgs 7pm to approx 11pm

ROYAL COURT. 730 1745. Evenings 8. Saturdays 5 and 8.30. CURSE OF THE STARVING CLASS by Sam Shepard. "The play is ... brilliant." Time Out. "Shepard pitches ... comes." Victoria Radin, Observer.

SAVOY. 836 8888. Evgs. 8. Mats. Wed. 2.30. Sat. 5 and 8. ROBERT MORLEY, JULIAN ORCHARD in BEN TRAVERS' "Hilarious success." Daily Tel. BANANA RIDGE

SHAFTESBURY. 01-836 6596-7. Previews from Sat. Evgs. at 8.0. Opens 11 May at 7.0. Evgs. 8.0 Mat. Thur. & Sat. 2.30. WILFRID HYDE WHITE, ALFRED MARKS PETER EGAN, JANE DOWNS in a new play by WILLIAM DOUGLAS HOME ROLLS HYPHEN ROYCE Directed by Allan Davis

SHAW. 01-388 1394. Evgs. 8.0. Sat. 6.0 and 8.30. Mat. Wed. 3.30. FAT HAROLD A Brutal Comedy by Alan Bleasdale "... A DRAMATIC EXPLOSION." Ev. News. Seats from 80p.

STRAND. 01-836 2660. Evenings 8.00. Mats. Thurs. 3.00. Sats. 5.30 and 8.30. NO SEX PLEASE —WE'RE BRITISH THE WORLD'S GREATEST LAUGHTER MAKER

ST. GEORGE'S ELIZABETHAN THEATRE. Box Office 01-609 1195. Season Opens May 9. THE MERCHANT OF VENICE

ST. MARTIN'S. 836 1443. Evgs. 8. Mats. Tues. 2.45. Sats. 5 and 8. AGATHA CHRISTIE'S THE MOUSETRAP WORLD'S LONGEST-EVER RUN 25th YEAR

TALK OF THE TOWN. 01-734 5051. From 8.15. Dng.-Dncg. 9.30 Super Revue RAZZLE DAZZLE and at 11 p.m. WILMA READING Opens Mon. GUYS 'N' DOLLS

THEATRE UPSTAIRS. 730 2554. Evgs. at 7.30. I MADE IT MA—TOP OF THE WORLD

VAUDEVILLE. 836 9988. Evgs. 8.00. Sats. 5 and 8. Mats. Tues. 2.45. GLENDA JACKSON in a new play by HUGH WHITEMORE STEVIE with MONA WASHBOURNE and PETER EYRE Directed by CLIFFORD WILLIAMS "SIMPLY SUPERB—AN OUTSTANDING ACHIEVEMENT." Felix Barker, E. News.

VICTORIA PALACE. 01-834 1317. Ton't 6.00 Tomor. 8.00 8.45 CILLA BLACK in CILLA AT THE PALACE with GUEST ARTISTES "... A BOBBY-DAZZLER OF A SHOW." Daily Telegraph. MUST END THIS SAT. Apr. 30

VICTORIA PALACE. 834 1317. Opens Mon. May 23. Direct from Las Vegas. THE LAS VEGAS FOLLIES A GLITTERING EXOTIC STAGE SPECTACULAR

WESTMINSTER. 01-834 0283. BROTHER FRANCIS Theatre Roundabout production "Uncommonly impressive." J. C. Trewin. Evgs. 7.45. Wed.-Sat. 3.0.

WHITEHALL. 01-930 6692 GERALD HARPER DINAH SHERIDAN NORMAN ROSSINGTON in "Yet another of WILLIAM DOUGLAS HOME'S delightful comedies." Punch. IN THE RED Directed by Allan Davis. Evgs. 8.00. Wed. 3.00. Sat. 6.00 and 8.45 Last 2 weeks. Must end May 7th.

WINDMILL THEATRE. 437 6312. Twice Nightly at 8.0 and 10.0. PAUL RAYMOND presents RIP OFF THE EROTIC EXPERIENCE OF THE MODERN ERA "Takes to unprecedented limits what is permissible on our stage." Evg. News. You may drink and smoke in the auditorium.

WYNDHAM'S. 836 3028. Mon.-Fri. 8.00. Sat. 5.15 and 8.30. Maggie Fitzgibbon Gay Soper, David Firth and Robin Ray in the "BRILLIANT MUSICAL ENTERTAINMENT" People. SIDE BY SIDE BY SONDHEIM "GO TWICE." S. Morley, Punch. "GO THREE TIMES." C. Barnes, N.Y.T.

THEATRES

YOUNG VIC (by Old Vic) 928 6363. Ton't 7.45 JOINT STOCK in A MAD WORLD, MY MASTERS

CINEMAS

ABC 1 & 2, Shaftesbury Ave. 836 8861. Sep. Perfs. ALL SEATS BKBLE. 1: A STAR IS BORN (AA). Wk. & Sun. 2.00, 5.15, 8.15. Late show Sat. 11.15. 2: 21 HOURS AT MUNICH (AA). Wk. & Sun. 1.45, 4.45, 7.45. Late show Sat. 11.00.

CAMDEN, Old Compton Street. 437 6877. BATTLE OF MIDWAY (A) IN SENSURROUND. Progs. Weekdays and Sun. at 2.15, 4.45, 7.50. All seats £2.

CURZON, Curzon Street, W.1. 499 3737. Lina Wertmuller's SEVEN BEAUTIES (X) (English subtitles) Daily at 2.0 (not Sun.) 4.05, 6.15, 8.30.

LEICESTER SQUARE THEATRE (930 5252) ROCKY (A). Sep. progs. Dly 1.10, 4.30, 8.00. Late show Thur. Fri. and Sat. 11.45. Seats bkbl. for 8.00 prog Mon.-Fri. and all progs Sat and Sun except late night shows.

ODEON MARBLE ARCH (723 2011-2) THE PINK PANTHER STRIKES AGAIN (U) Sep. progs Wk. 2.15, 5.30, 8.30. Sun 3.45, 8.00. Late show Fri. and Sat. 11.45. All seats bookable.

PRINCE CHARLES, Leic. Sq. 437 8181. Final Weeks! Richard Dreyfuss INSERTS (X). Sep. Perfs. Dly (inc. Sun.) 2.45, 6.15, 9.00. Late Show Fri. and Sat. 11.45. Seats bkble. Lic'd Bar.

SCENE 4, Leic. Sq. (Wardour St.) 439 4470. Cont. Perfs. Dly. 1.05. The Original EMMANUELLE (X). Progs. 1.55, 3.40, 6.15, 8.30. Late Show Fri. & Sat. 11.55.

STUDIO 1, Oxford Circus. 437 3300. EMMANUELLE (X). 1.05 (Except Sun.) 3.40, 6.20, 8.55. JUST ONE MORE TIME (X). 5.45 (Except Sun.) 5.55 8.00.

CLUBS

EVE, 189 Regent Street 734 0557. A la carte or All-in Menu. Three Spectacular Floor Shows 10.45, 12.45 and 1.45 and music of Johnny Hawkesworth & Friends.

GARGOYLE, 69 Dean Street, London, W.1. NEW STRIPTEASE FLOOR SHOW THE GREAT BRITISH STRIP Show at Midnight also 1 a.m. Hostesses. Mon.-Fri. Closed Saturdays. 01-437 6455

ART GALLERIES

MIKLOS BOKOR paintings in watercolour and oil. Daily 10-5.30 Sat. 10-1 until May 21st. Victor Waddington, 25, Cork Street, London, W.1

AGNEW GALLERIES, 43 Old Bond St., W.1. 01-629 6176. BERNARD DUNSTAN until 6 May. Mon.-Fri. 9.30-5.30. Thurs. until 7.

REDFERN GALLERY. OXTOBY'S ROCKERS Paintings and Drawings by David Oxtoby. 14 April-4 May. 20, Cork Street, London, W.1.

COLNAGHI'S, 14 Old Bond Street, W.1. 01-491 7408. EXHIBITION of 19th and 20th CENTURY PRINTS. Until 29 April. Mon.-Fri. 10-5.30. Sats. 10-1.

MARLBOROUGH, 6, Albemarle St., W.1. R. B. KITAJ—Pictures April 27 until June 4. Mon.-Fri. 10-5.30. Sat. 10-12.30.

GILBERT PARR GALLERY, 285 King's Road, Chelsea S.W.3. MICHAEL GILLESPIE—Bronze Sculpture. BERNARD STERN—Recent Ink Washes. Until May 7 Open Tues.-Sat. 9.30-5.30.

LEGAL NOTICES

NOTICE TO CREDITORS

In the Matter of GOLLIN & COMPANY LIMITED
The New South Wales Companies Act, 1961 (as amended)
The Victorian Companies Act 1961 (as amended)
The Queensland Companies Act 1961-75
and in the Matter of
The South Australian Companies Act 1962 (as amended)
The Papua New Guinea Companies Act 1963 (as amended)
The New Zealand Companies Act 1955 (as amended)

PURSUANT TO THE PROVISIONS of the Scheme of Arrangement approved by the Creditors all Scheme creditors of the abovenamed Company are required on or before the 31st day of May, 1977 to prove their debts or claims and to establish any title they may have to priority by delivering or sending through the post to the Scheme Administrator at the undermentioned address an affidavit verifying their respective debts or claims. In default they will be excluded from the benefit of any distribution made before such debts or claims are proved or such priority is established, and from objecting to any such distribution.

Any creditor wishing to rely on a proof of debt already lodged with the Provisional Liquidators of the Company may do so by giving written notice of such intention to the Scheme Administrator on or before the 31st day of May 1977.

Form of proof may be obtained from the undersigned.

DATED this sixth day of April, 1977.

J. D. ROGER,
Scheme Administrator,
P.O. Box 61,
ERMINGTON N.S.W. 2115,
Australia.

[illegible]

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"The greatest increase we have ever achieved in one year."

Mr. P. G. Walker, Chairman

Our company's business is the provision of life assurance protection for the public and acceptance of responsibility for their savings. This is an important and onerous task and I am therefore pleased to be able to report that, in a year which has been full of political and economic difficulties, we have once more performed exceptionally well and, in many areas, established records.

DIRECTORS AND MANAGEMENT

You will observe from the Directors' Report that Sir Dennis Pilcher is not offering himself for re-election, having reached the age of 70 which is the normal age of retirement from the Board. He has been a director of the Society since 1968 and, with his expert knowledge of the property market, has been invaluable to us in building up our extensive interest in this sector.

Mr. N. E. King, who is in charge of Marketing and Sales, has joined the Board as a further Executive Director, and I hope you will take as much pleasure in confirming this appointment as I take in recommending it.

At the end of the summer, it was with considerable regret that the Directors accepted Mr. L. C. T. Cottrell's retirement from the Board and the relinquishment of his position as General Manager. He had given 41 years' devoted service to the Society and the Board is deeply appreciative of his loyalty and conscientious work, particularly in the investment area. Following Mr. Cottrell's retirement and the acquisition of Artagen Properties Limited, we made some considerable modifications in the management structure of the Group. I took additional executive management responsibility and also became Chief Executive of Artagen. We were fortunate in having an able and worthy candidate for the position of General Manager in Mr. R. F. C. Zamboni. We also made some additional appointments, which were intended to cover overall functional and managerial responsibility, thus giving relief from day to day decision-making; Mr. C. A. Combes is Deputy General Manager, Mr. P. D. Bairstow is Assistant General Manager and Actuary and Mr. N. E. King is Assistant General Manager (Marketing & Sales). At Senior Executive level we also have Mr. J. W. Wicken as Deputy Actuary, Mr. R. B. Colbran as Pensions Actuary and Mr. J. D. Webster as Investment Manager. Five senior members of our staff have been promoted to Executive status, to strengthen the Divisional Executive. They are Mr. R. R. Brooke, Group Accountant, Mr. G. A. Howell, Administrative Services Executive, Mr. F. A. J. Berry, Marketing Executive, Mr. R. L. Haines, Sales Executive, and Mr. P. Pudner, Data Processing Manager. We have also appointed our Chief Surveyor, Mr. J. M. Nicholls, to Executive status as General Manager of Artagen Properties Limited.

With the continued expansion of the Society's activities and the increasing complexity of our business, I am confident that the new arrangements will provide a more efficient management system, structured to meet whatever challenges may lie ahead.

NEW BUSINESS

During the first half of the year, both pensions and individual life assurance business was secured at a rate greatly higher than in the previous year. This exceptionally high level of activity was not maintained throughout the year, but nevertheless the increase in our new premium income exceeded the industry average. Indeed, our total premium income increased from £86.6m. in 1975 to £107.5m. in 1976, by far the greatest increase we have ever achieved in one year.

Our portfolio of group pension business has continued to develop satisfactorily. The rate of expansion would have been greater but for the general economic situation and the continuing restriction through the pay policy of the scope for new and improved pension schemes. We have never regarded the limitation on pension provision as justifiable or essential to the pay policy and we hope that this particular control will be removed in Stage 3. The amount of business for directors and executives was also affected by the conditions, although it remained at a level which must be regarded as reasonable in the circumstances. In order to help our connections in such markets as are open to us, we have prepared an audio/visual presentation which has been shown widely and very well received.

The fund of Sun Life Pensions Management Limited which we operate as an alternative investment medium for pension schemes grew in the year from £9.6m. to £14.3m. Our investment record since we started the operation in 1973 has continued to compare very favourably with those of other similar funds.

During the year wide publicity was given to the agreement amongst members of the Life Offices' Association to pay commission on a premium related basis. We fully support the terms finally agreed and welcome the fact that it will mean that the commission paid to an introducing agent by a member of the Association will be based on the premium paid by the individual and not on some other factor which may be irrelevant to the client's needs. Additionally, the new commission structure enabled many non-member offices to join the Association—a very desirable development, as we consider it important that as far as possible the life offices are represented by a united body.

Inevitably, the new commission structure is having some effect on the pattern of our business, as it places a greater emphasis on short term savings than long term protection. The major part of the agreement was, however, effective only from 1st October last year and, bearing in mind that it will take time for brokers fully to adapt their operations to it, it is early to forecast what the ultimate effect on our business will be.

We are continuing sponsorship of such sports as squash, badminton and hockey in a selective way. By concentrating on this type of event, we are making ourselves well known in sports which have an increasing following amongst the younger element of the population.

During 1976 we acquired Charterhouse Japhet's interest in Sun Life Charterhouse Unit Assurance Company Limited and, having changed the name of the company to Solar Life Assurance Limited, much effort has been devoted to planning new contracts in order to market unit linked business solely through insurance broker intermediaries. The company restarted business on 17th January of this year and early results are encouraging. I regard this as a major development in an area where we are well equipped to be successful.

FUNDS

In 1976 we reached a landmark in the Society's history, the total premium income at £107.5m. exceeding £100m. for the first time. Investment income of the long-term insurance business funds rose by a record amount to £53.4m. Group income exceeded outgo by £66.6m., resulting in total funds, including investment reserves, of £663.4m. at the end of the year. On pages 22/3 of the Annual Report we show the progress over the past ten years.

We have continued to show the invested assets in the accounts at the values at which they stand in the books. However, the assets have to be valued for Insurance Companies Act 1974 purposes under the Valuation of Assets Regulations and the shortfall between such valuation and the total book values in the Balance Sheet is covered by investment reserves, which have been increased to £50.6m. at the end of 1976. Since the end of the year, there has been a marked improvement in stock market prices and property values and our invested assets at the end of March had a total market value in excess of total book values.

The accounts include for the first time a Statement of Source and Application of Funds to comply with the recent Statement of Standard Accounting Practice ("SSAP 10"). It has been agreed between the Accounting Standards Steering Committee and the Life Offices' Association that SSAP 10 is not applicable to the revenue account of a life office and is therefore required only in respect of the shareholders' funds. It has not been considered appropriate at the present time to have regard in the accounts to Current Cost Accounting as proposed in the recent Exposure Draft ("ED 18"). Discussions are taking place on the application of the proposed standard to insurance companies' accounts. As we have already had regard to the current values of assets, adjusted for the previously mentioned Valuation of Assets Regulations, Current Cost Accounting is unlikely to have any significant effect on the Society's results.

DIVIDENDS

The statutory limit on increases in dividends remained at 10% throughout 1976. The two half-yearly dividends each of 1.3935p per 5p share, which were paid in 1976, were the maximum that could be paid. The total dividend for the year was therefore 2.7870p, equivalent to a gross dividend of 4.2876p, compared with 3.8980p for 1975.

A half-year's dividend of £1.5328 per share has been declared for payment on 1st July 1977. At a basic rate of income tax of 35%, this represents an increase of 10% on the equivalent gross amount, compared with each dividend paid in 1976. If the statutory limitation on dividends and the basic rate of income tax remain unchanged, it is anticipated that a similar dividend will be declared for the second half-year, but if the conditional reduction in the basic rate of income tax to 33% is implemented, we would anticipate that the second half-yearly dividend would reflect the reduction in the basic rate for the whole year. It would, in any event, be the directors' intention to pay an increased second half-year's dividend if the statutory limitation was relaxed or abolished.

INVESTMENT

For investment markets, 1976 started optimistically, with inflation falling from the very high levels experienced in 1975. However, with Government spending at too high a level and a declining pound, the improvement halted. Minimum lending rate was raised to 15% in October and the Government had to seek a large loan from the IMF. Against this background, it is not perhaps surprising that both stock market prices and property values ended the year below the levels prevailing at the end of 1975.

With our new money we continued to take advantage of the high rates of interest available and over £30m. was invested in fixed interest securities. As you will know, during the course of the year we successfully completed the takeover of Artagen Properties Limited and I am pleased to tell you that we now own all the shares of that company. In February of this year the small quoted Debenture and Unsecured Loan Stocks of Artagen were repaid. Although Artagen continues to be run as a separate company, its staff is being integrated with our own property department to provide management for both of the portfolios.

We continue to hear complaints from the Government about the lack of new industrial investment. If they wish to increase the scope for investment, they must endeavour to make saving more attractive. Conditions need to be created in which investors can expect a real return on their money once again. One step which would help towards this end would be an end to the arbitrary restrictions on increases in dividends.

PENSIONS LEGISLATION

During the coming year, those employers who already have a pension scheme for their employees will have to decide whether to contract out of the new State pension scheme, which will come into force in April 1978. This is a particularly complicated piece of legislation. Many of the problems and procedures associated with it are still being worked out with the Department of Health and Social Security, who are responsible for the legislation, and with the Occupational Pensions Board, who have the responsibility for deciding whether schemes meet the requirements for contracting out and supervising them thereafter. The Social Security (Miscellaneous Provisions) Act includes some clauses affecting the contracting out provisions and has only recently passed through Parliament; detailed official guidance on some of the administrative arrangements has still to appear. All of this means heavy pressure on employers and on our staff in arranging contracting out in the time available. Unless the Occupational Pensions Board are willing to accept a considerably streamlined procedure, it is likely that the large number of applications will result in many employers being without the necessary contracting out certificates until some time after 6th April 1978. They would then lose some of the saving in Social Security Scheme contributions which they will be expecting. In order to assist employers to reach a decision, the Society issued an explanatory booklet (a copy of which is available to any shareholder), setting out as simply as possible the points an employer will need to consider before deciding whether to contract out.

In spite of the legislative pressure affecting pensions, the Government decided to introduce proposals for compulsory action in their White Paper on the Role of Members in the Running of Schemes. This was quite contrary to the advice given by the Occupational Pensions Board, with all their knowledge and experience of pension schemes. Any such legislation will be highly controversial and likely to be detrimental to the extension of pension schemes to those who are not provided for at present. It now seems that even further legislation on pensions is intended in the current Parliamentary session to deal with equality of provision for women, and this must add to the administrative load.

POLITICAL INTERVENTION

We, in common with other industries, are suffering from a spate of legislation, much of which is producing the opposite effect to that for which it was intended. One has only to consider as examples the Rent Acts, which have produced a shortage of housing, and the Equal Pay Act, which has in some companies even had an inhibiting effect on the employment of female staff. Nevertheless, we hope that, with considerable co-operation between ourselves and the Government, the pensions legislation, to which I have referred above, can be made to work advantageously, but we are quite certain that if the proposals of the majority Bullock Report should be implemented, this would have nothing but an adverse effect on future prosperity and development in industry. This is not to say that we are in any way against the fullest consultation and co-operation between management and employees in our industry. Indeed, we can demonstrate that for years we have followed a policy of keeping every member of our organisation as fully informed as possible of decisions and policies which affect them and we intend to continue to develop the co-operation which has been achieved between the management of this company and the staff association.

The adoption by the Labour Party Blackpool Conference last year of the National Executive Committee's paper Banking and Finance poses another threat of political intervention in the affairs of our industry. Although we are not one of the seven companies named by the Labour Party for nationalisation, we share the entire insurance industry's concern at the harm which could be caused by Government control of the funds of millions of policyholders throughout the country. Any form of direction of investment, whether by means of nationalisation or otherwise, would only have one purpose—to support projects that cannot attract finance through conventional channels because they would provide inadequate returns or security. The dismal results of nationalisation in other sectors of the economy have hardly demonstrated that public ownership of part of the life assurance industry would lead to a better service for policyholders. Perhaps some good will come of Sir Harold Wilson's Committee of Enquiry into the financial institutions. I do hope, however, that the Committee will review very fully the nature of the whole range of services provided by financial institutions, and the needs which they are intended to satisfy, before it makes any pronouncements about the arrangements for the provision of funds for industry and trade.

ADMINISTRATION

I reported last year that relocation to Bristol had been a major administrative preoccupation during the year and this has applied again in 1976, with over two hundred staff moving to Bristol during the summer and occupying (with many new staff recruited locally) temporary accommodation initially and moving finally into our very fine new building, Sun Life Court, in February 1977. I believe that the standard of accommodation and equipment in Sun Life Court is second to none and provides first class working conditions for our staff there.

Relocation has, of necessity, caused a number of redundancies among staff unable for one reason or another to move to Bristol. Most of our more experienced staff have moved or will do in 1977, but for those who cannot leave the London area generous compensation (including for some older employees, immediate pension) has been provided under the terms of the redundancy agreement negotiated with the staff association.

Work has commenced on the refurbishment of the portions of 107 Cheapside which have become vacant and this will extend into the areas vacated by the remainder of the staff to be relocated in 1977, with a view to providing first class accommodation for letting. I am convinced that the financial benefits of relocating so many of our departments away from the City will, in due course, be very considerable.

I referred last year to the salary review to be carried out in May 1976, in accordance with the current Pay Code, and we shall be pursuing the same policy in 1977. However, it is becoming evident that, due to the limitations of Stages 1 and 2 of the Pay Code, salary differentials have narrowed and this together with the continuing inability to reward above-average performance is causing frustration among our staff. While a further period of pay restraint is felt to be necessary, failure to make it sufficiently flexible must in the end be counter-productive.

For the staff it has been a difficult year. The combination of a substantial increase in premium income, new legislation, relocation to Bristol, and new computer systems provided many problems, and it is to the credit of the staff that these have been overcome, by long hours of work by many people, and by the determination of all the staff to maintain the standard of service for which the Society is so renowned.

FUTURE

Without foreknowledge of this year's incomes policy, and with all the many other uncertainties we face, it is very difficult to predict what we are likely to achieve in 1977. The omens at this time are, in many ways, not favourable, but I am confident that Sun Life Assurance is well placed to take every opportunity to achieve further progress.

SUN LIFE ASSURANCE

Sun Life Assurance Society Limited
Chief Office: 107 Cheapside, London EC2V 6DU.

HOME NEWS

Two more banks cut personal loan interest rates

BY MICHAEL BLANDEN

TWO BIG BANKS yesterday announced cuts in the cost of personal fixed rate loans for their customers.

Barclays is reducing the rate on new personal loans from Monday, under the Barclayloan scheme, from a true rate of 19.56 per cent. to 16.65 per cent. At the same time, the maximum amount that can be borrowed on Barclayloan is being raised from £1,500 to £2,000.

The Co-operative Bank announced a cut in the rate on personal loans, of between £300 and £1,500 repayable over 12 to 36 months, from 17 per cent. to 15 per cent. The bank claimed that the move made its loans at least 1½ per cent. cheaper than those of its nearest rival.

The Co-op is also reducing the cost of 3-5 year home development loans, available for amounts of £400 to £1,500, from 18 per cent. to 15 per cent.

Cuts like this in personal loan rates reflect the sharp reduction in the general cost of money in the past few months. This has always been reflected in the cost of overdrafts, with the banks reducing the base rate for lending from the peak 14 per cent. to 9 per cent. so far this year. At the present base rate, personal borrowers would pay generally some 12-14 per cent. for overdrafts.

Rates charged on personal loans, which are fixed-rate, fixed-term lending by the banks, have been changed less frequently. However, the sharp downward trend in the general cost of money this year has encouraged cuts by a number of banks.

Yesterday's moves by Barclays and the Co-op follow the decision earlier this week by Midland Bank to bring the rate on new personal loans down to an effective rate ranging between 16.38 per cent. for 6 months. This has already been a 36-month loan. In March, National Westminster reduced the cost of personal loans by about 1 per cent. to a level equivalent to 16.71 per cent. over two years.

Government deal with drug industry will regulate advertising

BY DAVID FISHLOCK, SCIENCE EDITOR

A DEAL between the drug industry and the Government, under which the industry would self-regulate its advertising and fully disclose its costs, was announced yesterday by Mr. David Ennals, Secretary for Health.

In return the Government has agreed to drop a clause in the Patents Act which, the industry claims, permits "pirates" to benefit unfairly from the research investment of innovative companies.

In future all display advertising for drugs must carry a list of specified information, including the basic cost charged to the National Health Service, Mr. Ennals told Parliament in a written reply yesterday.

Speaking to drug industry leaders last night, at the annual dinner of the Association of the British Pharmaceutical Industry, Mr. Ennals said that all advertising material for drugs was to be approved as observing both the law and the industry's own code of advertising practice, by someone appointed by each drug company.

The industry's code of practice committee was to be strengthened, and the advertising monitored by the ABPI, he said.

But the Government believed that the voluntary price regulation scheme, which controls drug company profits, could be strengthened to ensure that no one made excessive profits without the need for the bitterly-contested Section 41 of the 1949 Patents Act.

Apart from the licence Section 4 gave to "pirates," the industry also claimed that its aggressive use might at some stage be made by a company "orchestrated" by the Government.

The new pricing scheme would continue to operate "in the same flexible way as in the past, with the minimum of bureaucratic control," said Mr. Ennals.

Each company would continue to be free to settle pricing policy for particular products within the appropriate limit of sales income.

But an aspect which he admitted the industry had not welcomed was the ceiling on the proportion of sales the industry is to be allowed to spend on drug promotion.

The limit, 14 per cent. for the present year falling to 10 per cent. by 1979, stays. By 1979, it would be releasing about £13m. "to spend elsewhere in the NHS." But the Government would not be discriminating between the medical journals paid for by subscription and the medical newspapers given away free to doctors, as it was previously proposing to do.

The repeal of Section 41 of the Patents Act would "remove one major disincentive to further pharmaceutical investment in the U.K.," said Mr. Michael Peretz, retiring president of the ABPI, replying to Mr. Ennals. He forecast a "new climate for investment and enhanced export achievements."

Price inflation shows no sign of slowing

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

THE LATEST figures from the Price Commission suggest there will be no slowing in the rate of retail price inflation until well into the summer.

The rate of increase in the Commission's index, which is based on details of proposed price rises received by the Commission, showed another substantial rise in March after four months in which it had shown signs of stabilising.

As movements in the Commission's index are normally reflected two to four months later in the Retail Prices Index, this indicates that the annual rate of inflation in the shops will still be running at a high level in the summer when the Government will be trying to get agreement on another round of wage restraint.

The Price Commission's quarterly report for the three months ending February 28, which was published yesterday, shows that its index of notifications received rose by 9.2 per cent. in the six months to the end of February. This was almost the same increase as for the six months to the end of November.

The Commission had hoped that the comparative stability in its figures might have been reflected in a stabilisation in the retail prices index in the spring, and that this might have resulted in a slowing in the rate of increase in the RPI by the summer.

But the Commission's provisional figures for March indicated that price notifications continued at a high level last month. There was a big increase in the number of notifications received from Britain's largest companies and in the size of increase notified.

This would support the view that there will be no reduction in the annual rate of retail price inflation (excluding the effect of seasonal foods) until the summer.

The Commission pointed out in the report that some factors are now in favour of a reduction in the rate of inflation. The rise in commodity prices has not been helpful, but against this the strengthening of sterling since the low point last October should by now have removed some of the pressure from costs.

Moreover, the rate of wages increase is more favourable while most of the effects of last July's relaxation to the Price Code, which contributed in part to the rise in corporate profits in the second half of last year, should have worked their way through to manufacturers' proposed price rises within the next few months.

In its report, the Commission said yesterday that it was not clear why there had been an increase in the number and size of applications being submitted in March. The position, it said, was one which needed to be watched very carefully.

Assuming that the more favourable trends are sustained, the Commission's next quarterly report should show some improvement in the rate of increase in its own index by the summer.

Because of the changes made to the price code last summer, the Commission can no longer produce a meaningful series of profit trends in relation to reference levels. What is clear is that in spite of the improvement in profits in the second half of last year, the most companies are a still a long way from their reference levels.

In the fourth quarter of last year, for example, the average reference level for Britain's largest companies was 11 per cent., but they were only making an average of 4.8 per cent.

● In the latest stage in a dispute between the Price Commission and the cement manufacturers, the Commission announced yesterday that it had refused to allow the cement companies to raise their prices.

The Commission does not normally announce when it has turned down an application but because the manufacturers had already told their customers that, provided the Commission approved, the price would go up shortly. The manufacturers wanted to increase the price of Portland cement by £3.15 a tonne.

Airline's credibility 'shaken by strike'

By Michael Donne, Aerospace Correspondent

SIR FRANK McFADZEAN, chairman of British Airways, in an appeal to staff to get the airline back to normal as quickly as possible after the engineers' dispute, said that the losses would amount to £15m., but might have been as high as £40m. had the airline not been able to keep some of its services running.

"But there is more to it than this," he says in the staff newspaper, British Airways News. "Our creditability has been shaken, particularly among people whose holiday plans were so cynically and rudely shattered. The consequential losses of this will also be considerable."

Declaring that the dispute, which lasted 24 days, "has achieved nothing that would not have been possible without it," Sir Frank says that the game of identifying winners and losers "is just about as futile as the stoppage itself. The real winners are our competitors.

"British Airways, its customers, its staff and its development programme are the losers. In spite of ego trips on television, strikes are not a sign of strength. They are a sign of weakness, the inability of people to negotiate and compromise.

"The printing of banana money to finance Government expenditure has created many legitimate grievances. Within the legal and financial constraints we have always been prepared to discuss how best these can be redressed.

Sir Frank says that as a result of the dispute, while the competitors can expand, "we have to adjust our forward programme downwards. This is the harsh reality of the strict cash limits enforced by the Government. The general taxpayer is no longer prepared to shoulder the financial consequences of our own actions.

Engineering industry showing slow but steady revival

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE SLOW but steady revival of activity in many parts of U.K. engineering is reflected in statistics published by the Industry Department to-day.

The key machine-tool sector in January was experiencing rising sales and new orders as well as an increase in employees.

"The industry's order books had also levelled out after a long decline, leaving it with orders outstanding of £189m., or enough work for six months.

However, the statistics for all the engineering industries are somewhat distorted by a fall-back in electrical engineering after a period when some large overseas orders boosted the order intake.

Even so, orders-on-hand remained unchanged over the three months to the middle of January.

The figures, published in Trade and Industry, show the trend in new engineering orders 4 per cent. down over the three months, reflecting a lower inflow from the home market of 2 per cent. and from export markets of 6.5 per cent.

The trend in home orders-on-hand continued to decline by a further 2.5 per cent. between October and January as the inflow of new orders was still below sales.

New export orders remained above the level of overseas sales, as a result of which export order books increased by 4 per cent. over the same period.

Separate figures for the machine tool industry produce an optimistic comment from the Department:

"The combination of rising levels of both sales and new orders for both the home and overseas markets in volume terms suggests that the upturn in demand and activity in this industry has commenced."

At £103m., total new orders received by the machine tool companies in the three months to mid-January were 18 per cent. higher than the preceding three months and 52 per cent. higher than a year before.

New orders from the home market, although only 4 per cent. higher, at £61.3m., on the previous three months, were showing a sharp rise of 70 per cent. over the same period a year before.

The value of machine tool orders outstanding for export markets at mid-January, some £93.8m., was up by 8 per cent. over the three-month period. Home orders-on-hand, at £105.2m., were 6 per cent. lower than three months earlier.

With an estimated 49.90 employees in January, the industry has seen employment rise by about 500 since the middle of 1966.

Rescue for Brecon Canal

THE WELSH Development Agency announces to-day a £483,000 project to repair a breached section of the Monmouthshire and Brecon Canal at Llanfoist, Gwent. This will create jobs for about 100 people in an area of high unemployment, restore a stretch of waterway popular with boating enthusiasts, and give essential water supplies to industry, it said.

The project will be joint, by Welsh Development Agency; British Waterways Board; Manpower Services Commission, through its Job Creation Programme; and Brecon Beacons National Park Committee.

Two smaller associated projects on the canal at Cwmbrân and Pontypool are also supported by the Welsh Office. Canal repairs are due for completion in March 1978.

A serious breach occurred in a 50 feet length of the canal wall at Llanfoist in March 1975. About 11 miles of the canal was largely drained, restricting pleasure craft to northern and southern reaches.

Treat vandals tough, say Tories

A NEW CRIME of "vandalism" should be introduced in the courts and the penalties for it should be stiff, a Conservative committee urged yesterday.

The Crime Advisory Committee set up by Mr. Teddy Taylor, Opposition spokesman on Scotland, said it had agreed on interim proposals which, if implemented, would go a long way to curbing vandalism and stopping offensive weapons being carried.

The committee recommends that, where appropriate, the new charge of "vandalism" should be additional to charges of breach of the peace and malicious mischief.

"The penalties should be much stiffer," the committee said. "It is suggested that the vandals should also be made to repay the full cost of the damage by cash payment, or do a certain number of hours in community service work.

"The committee also feels that a programme of public education should be instigated to highlight the danger and the wastefulness of vandalism."

Another recommendation is that police conditions of service should be made more attractive. It proposes too that policemen on duty should have the power to search anyone suspected of carrying an offensive weapon.

The Home Office said later that no exact figure of the cost of vandalism was available, but it could be as much as £100m. a year.

Judgment today on Hillingdon documents

By James McDonald

THE RESERVED JUDGMENT in the appeal by the London Borough of Hillingdon against a decision by Uxbridge Magistrates' Court on November 9 last year over production of official documents will be given to-day at Middlesex Crown Court, Middlesex Guildhall.

Arsenal loses legal point over football club rates

BY TERRY DODSWORTH

ARSENAL Football Club yesterday lost the latest round in its fight to avoid the distinction of being top of the rate-paying league among London clubs.

An increase in Arsenal's £33,000 annual rates bill on its Highbury ground is being urged by a local estate agent, Mr. Theodore Ende.

The club objected to the move, claiming that Mr. Ende had no legal standing.

However, the House of Lords ruled yesterday that, although Mr. Ende lives outside Islington—in which the Arsenal ground is situated—he has a right to have his claim heard.

The dispute now goes back to the Lands Tribunal for the meeting of Arsenal's appeal against an increase based on an old, pre-1973 rating valuation which has already been ordered by a valuation court following an objection by Mr. Ende.

Mr. Ende, of Adolphus Road, Finsbury Park, Hackney, wants Arsenal's rates raised to £60,000. After the ruling, he said: "If the rates go up to £60,000, I think a case for the football league stadia in Greater London will have to be revalued."

He added: 'I am in no way antagonistic to football, but I do object very strongly indeed to the way it is commercialised.

Mr. Ende's latest rates league table of eight London clubs based on post-1973 assessments puts Spurs on top at £34,000. Arsenal second at £33,000, and Chelsea third at £26,350. Then come West Ham and Crystal Palace (£19,000), OPR (£10,750), Fulham (6,825) and Charlton (£4,450).

Miners push up output

By Ray Dafter, Energy Correspondent

PRODUCTIVITY in the mining industry rose last month to the highest level for a year as demand for coal continued to increase.

Coal consumption in the first quarter was over 35.5m. tons, some 3.3 per cent. up on the corresponding period of 1976, said the Department of Energy's latest energy statistics.

Industrial demand for coal rose by 12.4 per cent., with power stations and coke ovens consuming more. Deep-mined and opencast coal production were both lower than in the 1976 period by 4 per cent. and 6.4 per cent. respectively. Coal stocks at the end of March were 1.7m. tons lower than a year earlier.

In March colliery manpower increased by over 1,000, and productivity, in output per manshift, rose to 45.8 cwt., highest for 12 months.

The Energy Trends publication shows that energy consumption of primary fuel in the three months to February was 6 per cent. higher than in 1976. Colder weather, particularly in January, was a major factor.

The gas industry again benefited from the higher demand. Output in the quarter ended March was 3.6 per cent. up. In 1976 as a whole gas sales totalled almost 14bn. therms, an increase of 6.8 per cent. on 1975. Sales of gas to iron, steel and other industries rose by over 12 per cent.

Lord Beswick assurance on air industry bureaucracy

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

AN ASSURANCE that there would be no sudden organisational changes as a result of the nationalisation of the aerospace industry, was given in London yesterday by Lord Beswick, chairman of British Aerospace.

Speaking on the eve of vesting day, when British Aircraft Corporation, Hawker Siddeley Aviation, Hawker Siddeley Dynamics and Scottish Aviation are taken over by the State, Lord Beswick said his aim was to ensure continued profitability.

British Aerospace, he said, would have a turnover of £800m. a year, and had an outstanding order book of over £1.5bn., of which 75 per cent. was for export.

He said that the eventual aim would be to create the aircraft group, covering civil and military aircraft. The chairman and chief executive would be Mr. F. W. Page (presently chairman of the aircraft division of BAC), with Mr. Eric Rubython (Hawker Siddeley Aviation) as deputy.

The other aim would be to create dynamics group, and would comprise the guided weapons and space activities of all the companies. The chairman and chief executive will be Mr. G. R. Jefferson, chairman of BAC's Guided Weapons Division, with Dr. G. H. Hough, of Hawker Siddeley Dynamics, as deputy.

"The structure below these groups is now a matter of study, but further decentralisation of authority, and encouragement of initiative, is the principle to be applied.

"We shall aim at building upon success. We shall have no big bureaucracy imposed upon this enterprise. We shall delegate authority to the optimum extent," Lord Beswick said.

Mr. Page becomes chairman of BAC, replacing Mr. Allen Greenwood, who is the deputy chairman of British Aerospace. Mr. J. Ferguson Smith, deputy chairman of the BAC commercial aircraft division, becomes a director of Hawker Siddeley Aviation.

These exchanges are temporary, and will last only until the two new aircraft and dynamics operational groups are formed.

Lord Beswick yesterday declined to give any indications as to when the State aircraft industry would be able to start new civil ventures. He said these were being discussed with prospective international partners, but the U.K. was not discouraging the possibility of undertaking new ventures on its own.

Concern over aerospace compensation

VICKERS and General Electric Company yesterday expressed concern over the fairness of the compensation they will receive for the take over by British Aerospace of the aerospace assets in the British Aircraft Corporation writes Michael Donne.

Pointing out on the eve of vesting day that they each owned 50 per cent. of BAC, they said that they would be entitled to compensation, through the issue of Government "compensation stock." This would carry such interest and conditions as to payment, redemption and other matters, as the Treasury might determine.

The two companies said they had been advised that a fair commercial acquisition value for the whole equity of the BAC group is at least £200m. This was supported by figures for sales and profits before tax, which in 1976, amounted to £483m. and £40m. respectively.

"Assuming an issue of a 12 per cent. compensation stock and a principal amount of £200m. for the equity of the group, GEC and Vickers would receive an annual interest of £24m. gross, in lieu of their entitlement to the profits of the BAC group.

"British Aerospace would thus assume control of a group with current earnings running at a level some 60-70 per cent. greater than the interest the Government would pay on such compensation stock," they declared.

BP plans £20m. safety vessel

By Roy Rogers, Shipping Correspondent

BRITISH PETROLEUM plans to spend more than £20m. on building a specialised semi-submersible vessel for dealing with North Sea oil rig blow-outs such as that at Phillips Petroleum's Ekofisk rig.

This was disclosed yesterday by Mr. Monty Pennell, deputy chairman, who told shareholders at the annual meeting that the largely Government-owned company had decided to go it alone on North Sea safety precautions after failing to reach agreement with other operators on a joint venture.

The vessel, expected to go out to international tender within the next few months, will be able to perform several tasks including fire-fighting, maintenance, inspection and pipelaying.

It will be far more advanced than BP's converted products carrier, Forties Kiwi, which is used mainly for saving lives and spraying rigs to cool them pending the arrival of more sophisticated vessels and equipment.

Considerable Government pressure is expected to be exerted on BP to order the vessel in the U.K.

Construction of such vessels is seen as a source of considerable work for Britain's ailing shipbuilding industry as the major North Sea oil producers become more safety and pollution conscious.

Report of meeting, Page 28

Tanker study call backed by 20 nations

By Our Shipping Correspondent

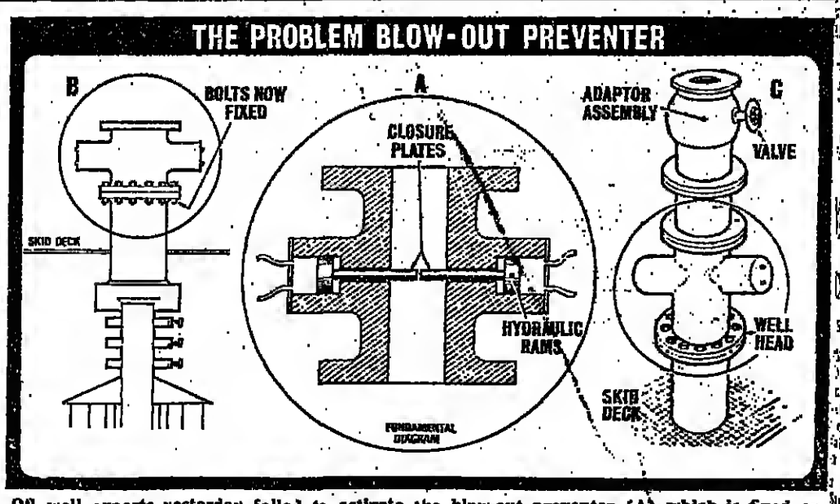
REPRESENTATIVES from 20 maritime nations yesterday backed the call from Mr. Jimmy Carter, U.S. President, for an international study into the safety aspects of oil tankers.

But the annual meeting of the International Chamber of Shipping, meeting in London, also expressed concern at U.S. moves to introduce some safety measures unilaterally.

Concern was also expressed at the recent spate of tanker casualties in U.S. waters which had prompted the U.S. initiative.

After the meeting, Dr. D. F. Martin-Jenkins, chairman of the chamber, said it would be sarcastic, however, to think that all accidents at sea could be eliminated.

THE PROBLEM BLOW-OUT PREVENTER



Oil well experts yesterday failed to activate the blow-out preventer (A) which is fixed on top of the No. 14 wellhead. Early this week, the Red Adair team fixed the remaining bolts on the preventer (B). Yesterday, the team closed the rams in an attempt to seal the pipe. The men were about to fix the adaptor assembly (C)—a second preventer—which would have been used in mud-pumping operations when the well began to blow again. Three times the team tried unsuccessfully to cap the well, but the preventer—which had been fitted upside down—could not hold the pressure of oil and gas.

Oil-blow preventer was 'put in upside-down'

BY RAY DAFTER, ENERGY CORRESPONDENT

THE REPEATED failure of the blow-out preventer on Ekofisk Bravo's Well 14 poses another important question about the regulation of safety measures on the ill-fated platform.

For amid the drama of the dangerous well-capping operation yesterday, it was revealed that all the time oil and gas had been

gushing from the hole the partially-installed blow-out preventer had been fixed upside down.

This will be one of the points investigated in detail by Phillips, as operator of the field, and by the Norwegian Committee of Inquiry formed after the blow-out a week ago.

Other aspects of the incident which are being questioned include why chemical mud pumped into the well was not heavy enough to hold back the pressure of oil and gas as intended, and why a length of emergency tubing—in essence, an extra safety valve—would not fit when the well began to blow.

The fact that the blow-out unit had been fitted incorrectly came to light on Sunday when two experts from the Red Adair fire fighting and oil well disaster company inspected the platform.

The team, led by these two—"Boots" Hansen and Richard "Toots" Hatteberg—decided to go ahead with the capping attempt, however.

The men successfully fitted the 12 big bolts which hold the preventer in place on top of the well-head. Only two of these bolts had been fixed when the well began to blow last Friday night.

Working in appalling conditions, in a shower of oil and water, the team then closed the blind rams which normally stem the flow of oil and gas. The hydraulically-driven rams (possibly driven by air pressure yesterday) pushed together two thick semi-circular plates inside the preventer.

The emergency team reported with relief: "We've closed it down. The oil has stopped." The news was greeted with delight in Stavanger operations centre but there was no time for rejoicing.

Within less than a minute, oil and gas, under a pressure of over 4,000 lbs a square inch, forced the valve open.

Struggling to retain their balance on the slippery skid-deck floor, shouting to make themselves heard over the jet engine noise of the gusher, the emergency team tried again. "They're very optimistic out there," a Phillips spokesman on shore said.

But the same thing happened the second and third times. The blind rams would not hold the pressure. At this point, those working offshore reported that the preventer had been incorrectly fitted.

The fact that the unit was upside-down meant it had a lower tolerance for stopping a gushing oil. Apparently the preventer had been tested in its inverted position to a pressure of 4,000 lbs a square inch, which, as Phillips believes that the pressure at the wellhead was nearer 4,350 lbs a square inch.

The Red Adair executives say that the cut-off operation could have worked even with an inverted blow-out preventer. In the end, it was a larger rubber seal that failed to hold.

Mr. Robert Archambeau, Phillips chief engineer, said an installation mistake had been made last Friday night, just before the blow-out occurred.

The fact that the preventer was inverted may provide an answer to why the emergency safety valve would not fit.

Earlier this week, it became apparent that the drilling crew encountered some form of obstruction when they tried to cope with the blow-out. Phillips would not comment on this possibility yesterday.

"The fact that the blow-out preventer was on upside-down had nothing to do with the blow-out," Mr. Gordon Gucker, Phillip's regional manager, in Stavanger.

Several contractors were at work on the Bravo platform when the mistake was made. Responsibility could not be assigned until a special commission had reported.

Metrication progressing 'behind scenes'

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

MORE PROGRESS has been made towards converting to metric measures in the past year than at any other time since the decision to go metric, Lord Orr-Ewing, the outgoing chairman of the Metrication Board, said yesterday.

There had been an enormous amount of progress behind the scenes in areas like engineering, farming and education.

The extraordinary thing, he said, was that the progress had come about entirely voluntarily.

In its report published yesterday, the Metrication Board described last year's Weights and Measures Act as the "most important development in the metrication programme." It removed the last major legal barrier for the completion of the metric change in Britain.

Mr. Max Wood, who has been deputy chairman of the Board for 12 months and who is to take over as chairman, said that the final stage of the change had begun.

The Board was working with retailers and with consumers to hammer out the last stages which should mean the changeover was completed by 1980 or 1981.

The Board called on the Government to take further action on three specific points.

The Department of Prices and Consumer Protection, the Board, retailers and consumers, should draw up a strategy for completing the metric changes in the shops on a sector by sector basis. This should include the fixing of dates when imperial measures would cease to be used.

After further consultation, the Government should ask Parliament to fix such dates and make them known.

At the same time, Parliamentary approval should be sought for further Orders to allow the remaining groups of prescribed quantity foods to be sold in metric packs.

The Board also urged the Department of Energy to make the relevant changes to the Gas Act and pressed the Department of Transport to announce its plans for the change to metric speed limits and road signs.

The Department of Prices, it said, should set a date to mark the end of retail sales of motor fuel by the gallon.

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HOME NEWS

Conoco exploration confirms Lyell field extension

BY RAY DAFTER, ENERGY CORRESPONDENT

THE CONOCO North Sea exploration group has confirmed the extension of its Lyell field, 75 miles north-east of Shetland.

A delineation well, drilled two and a half miles north of the discovery, identified oil accumulation in two layers.

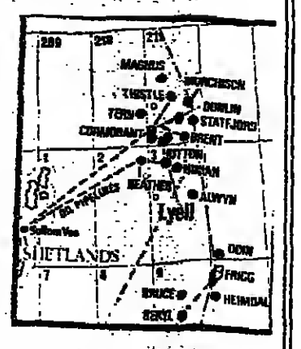
The lower level, in Brent sands, produced oil at up to 414 barrels a day — a far cry from the original discovery well in 1975 which tested flow rates of between 1,000 and 4,800 barrels a day. Conoco, as operator for the group, said that upper horizons were fully cored without a flow test, but it seems as if these upper horizons would be productive.

The well, the third on block 3/2, was plugged and abandoned at a depth of 12,400 feet.

It is possible that the Conoco group may be more encouraged by the oil prospects in the upper zone than by those in the Brent sands where poor porosity and permeability were encountered.

The rig Dundee Kingsnorth, used in the operation, is to drill another well some five-and-a-half miles to the south.

Interests in the concession, which lies between the Ninian and Hutton Fields, are Conoco, the British National Oil Corporation and Gulf Oil. Each has a one-third stake.



ICI Offshore said yesterday that its mud logging company had managed to win nearly half of the available business in the North Sea.

NEC Gas Analytical Service International, a subsidiary of the ICI Nobel's Explosives Company, has won orders from Ranger Oil, Texaco North Sea and the British National Oil Corporation.

Since its formation in 1973 the company has established 19 mud logging units on North Sea and Irish Sea rigs and platforms. Mud logging is used in the analysis of borehole fluids during tests on geological structures.

British car prices may rise by over 6%

BY TERRY DODSWORTH

U.K. CAR price increases in the spring look set to be on or above the 6 per cent. mark following an announcement from Chrysler that its prices are to go up by 6.1 per cent. from today.

British Leyland is expected to follow with an increase of about 6 per cent. this week-end, and Ford has set the pace with a 6.8 per cent. rise.

Chrysler is also putting up its commercial vehicle prices by an average of 5 per cent. It blames the increases on higher manufacturing and material costs.

This round of increases means that the price of the average popular family saloon has settled well above £2,000.

Chrysler's increases bring the Avenger two-door deluxe to £2,180 against £2,058, while an Alpine GL will be £2,921, from £2,756. The imported Simca 1100 three-door rises to £2,206 (£2,122), the Avenger four-door to £2,650 (£2,501), and the Hunter DL will be 2,542 (£2,376).

Chrysler is also preparing to introduce night shift to its Linwood car plant in Scotland for the first time in 10 years.

More than 1,800 men and women have been recruited to work the shifts in preparation for the launch in October of the new 424 small car, which is crucial for the success of the Government's £162.5m. rescue operation.

Production of the 424 will start in small numbers from June, resuming in quantity when the plant re-opens after its three-week August holiday.

The introduction of the shift, and the 424, has been delayed by more than four months through delays in the tight development schedule, the failure of the plant to reach production schedules laid down in the rescue attempt and two complete closures of Linwood through strikes in the last six months.

Two shifts should lift production from the present 1,600 Hillman Avengers and Hunters a week to 2,700 Avengers and 424s. Production of the Hunter is to switch to Chrysler's Irish assembly plant.

● Labour council leaders in Coventry said last night that they believed 1,000 jobs would be lost at Leyland's Triumph assembly plant.

They are seeking an urgent meeting with Leyland to discuss

Motor Agents to set up six regional offices

BY STUART ALEXANDER

THE MOTOR AGENTS ASSOCIATION, which represents over 15,000 new and used car dealers, petrol stations, repair shops and motor cycle stores in England and Wales, is to be reorganised into six regions.

Each one is to establish a High Street office to deal with inquiries from its members and complaints from the public about garage service.

The association has introduced a new logo which, it hopes, will be used in window stickers and on stationery.

Other services are also being reorganised and the annual cost of opening and staffing the new regional offices, planned to be open within the next 18 months, was put at £200,000 yesterday by Mr. Alan Dix, director general and chief executive.

Each region would have about 10 or 12 specialists and would be controlled by an elected regional council. All main budgeting would continue to be controlled from London.

● Motorfair is a show organised in conjunction with the Daily Express, Motor Agents' Association and Earl's Court, where it will run from October 19 to 30. There is no Motor Show this year. Attractions at Motorfair include car auctions, a heat of Scalextric world championships and an Action Man wargame, in a setting of Monte Carlo buildings replicas, Triumph's future and to ask for immediate assurances from the company that there will be no redundancies. Leyland is planning to turn the Triumph assembly plant at Canley, Coventry, into a component supplier for its other factories.

Motorists feel insurance policies 'too complicated'

BY ERIC SHORT

MANY MOTORISTS do not know what cover their motor insurance provides, although most of them claim to have read the policy, according to a survey into the attitudes of motorists towards insurance and the uses made of it.

The survey was carried out by Louis Harris International and the City University Business School on behalf of Sentry Insurance.

Half those interviewed stated that they had never had policies explained, either by brokers or insurers.

Most motorists claimed that policies are too complicated to understand and would welcome a simple summary stating what cover is provided and the conditions.

The survey also revealed that most drivers did not know their obligations or rights as policyholders, a significant percentage were confused about the extent of the cover and at least two-thirds believed that the insurance company would pay any claim in full even though materials facts had been withheld.

When it comes to arranging motor insurance most motorists are aware that premiums vary from company to company, but two out of five have never compared premiums.

Motorists said that they prefer the Italian system of displaying an insurance disc on the windscreen as opposed to the present system of insurance certificates. Most would also welcome an on-the-spot accident form of a type common in Europe.

BANK RETURN

—	Wednesday April 27 1977	Tue. (+) or Dec. (—) for week
BANKING DEPARTMENT		
LIABILITIES	£	£
Capital	14,553,000	—
Public Deposits	16,960,313	— 1,088,846
Special Deposits	1,029,725,000	—
Bankers	396,107,255	+ 63,381,251
Reserves & Other Accts.	452,016,096	— 39,919,240
	1,907,361,650	+ 12,253,175
ASSETS		
Govt. Securities	1,204,872,479	— 325,050,000
Advances & Other Accts.	592,330,993	+ 318,998,091
Premises, Equipt & other Secs.	84,794,219	— 13,894
Notes	25,487,479	+ 18,302,688
Coin	195,480	— 3,710
	1,907,361,650	+ 12,253,175
ISSUE DEPARTMENT		
LIABILITIES	£	£
Notes issued	6,825,000,000	— 25,000,000
In Circulation	6,799,512,521	— 43,302,688
In Bank's Dept.	25,487,479	+ 18,302,688
ASSETS		
Govt. Debt	11,015,100	—
Other Govt. Secs.	5,940,867,227	— 24,190,813
Other Securities	873,117,673	— 809,187
	6,825,000,000	— 25,000,000

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BOND DRAWINGS

INTERNATIONAL UTILITIES OVERSEAS CAPITAL CORPORATION

8¼% GUARANTEED SHIPPING BONDS DUE 1982

NOTICE IS HEREBY GIVEN that pursuant to condition 5 of the terms and conditions of the Bonds and Clause 2 of the Trust Deed dated as of the 15th day of May, 1972 between International Utilities Overseas Capital Corporation, the Company, Gotaas-Larsen Shipping Corporation, "the Guarantor", The Law Debenture Corporation Limited, "the Trustee" the bonds bearing the following serial numbers have been drawn for redemption on 15th May, 1977, as partial satisfaction of the Sinking Fund requirement at the redemption price of 100% of the principal amount thereof.

The redemption payment of each Bond drawn for redemption will become due and payable on 15th May, 1977. Interest on each such Bond will cease to accrue on or after such date.

79	111	183	333	410	411	428	430	431	439	
460	499	499	535	547	636	638	718	957	1190	
1235	1289	1297	1405	1419	1450	1451	1465	1468	1543	
1833	1992	1721	1731	1820	1857	1898	1926	1935	2053	
2232	2251	2316	2324	2338	2475	2845	2854	2650	2630	
2898	2735	2789	2808	3014	3029	3038	3066	3113	3195	
3209	3243	3351	3485	3306	3331	3303	3354	3551	3562	
3593	3812	3749	3764	3817	3819	3837	3338	4069	4207	
4211	4231	4288	4340	4358	4386	4371	4475	4475	4521	
4569	4571	4698	4724	4842	4851	5064	5078	5112	5211	
5231	5245	5258	5275	5305	5345	5363	5380	5431	5670	
5677	5726	5784	5787	5933	5955	5972	6073	6323	6037	
6545	6073	6135	6213	6218	6237	6342	6440	6448	6451	
6887	6712	6808	6874	6908	6929	6935	6938	6953	6957	
6959	6983	6990	7011	7032	7088	7091	7107	7173	7242	
7293	7370	7376	7504	7508	7899	7815	7808	7732	7780	
7807	7806	7897	7898	7932	7998	8006	8019	8078	8081	
8155	8157	8156	8343	8485	8491	8537	8549	8803	8852	
8687	8827	8958	9049	9081	9062	9064	9070	9118	9123	
9178	9373	9373	9443	9551	9607	9632	9889	9894	9784	
9881	9908	9973	9992	10009	10033	10038	10054	10081	10035	
10181	10214	10250	10284	10299	10348	10347	10447	10466	10438	
10510	10532	10552	10583	10566	10837	10878	10929	10936	11084	
11098	11186	11185	11185	11308	11344	11385	11806	11720	11744	
12066	12083	12083	12140	12311	12314	12340	12390	12424	12518	
12524	12585	12746	12781	12777	12792	12798	12900	12017	12079	
12982	13328	13291	13354	13573	13394	13455	13481	13409	13527	
13564	13588	13578	13643	13593	13587	13874	13884	13718	13723	
13794	13820	13854	13932	14085	14075	14250	14382	14385	14387	
14389	14417	14480	14451	14498	14803	14688	14708	14718	14722	
14832	14883	14889	14988	15071	15130	15192	15219	15286	15485	
15576	15735	15815	15816	15856	15916	15943	15951	15954	16041	
16093	16095	16197	16270	16317	16390	16375	16320	16438	16488	
16538	16888	16871	16873	16718	16719	16735	16728	16813	16913	
16935	16969	16972	17025	17027	17082	17071	17116	17124	17130	
17154	17187	17173	17184	17193	17201	17208	17231	17238	17238	
17312	17329	17338	17395	17398	17442	17445	17508	17532	17541	
17800	17825	17759	17782	17804	17829	17845	17893	17981	18013	
18025	18190	18155	18157	18187	18190	18255	18260	18326	18336	
18389	18404	18423	18491	18408	18530	18590	18587	18694	18755	
18803	18912	18870	18885	19028	19040	19078	19105	19124	19145	
19180	19159	19183	19203	19213	19230	19243	19248	19598	19656	
19665	19772	19819	19849	19889	20007	20017	20027	20059	20078	
20083	20115	20133	20146	20142	20150	20174	20198	20224	20246	
20256	20401	20404	20485	20519	20523	20537	20601	20620	20693	
20837	20955	20974	20980	21145	21155	21185	21204	21248	21257	
21289	21342	21511	21598	21826	21837	21857	21847	21731	21775	
21777	21809	21518	21834	21850	21852	21875	21902	22018	22052	
22085	22090	22103	22157	22181	22186	22181	22194	22228	22230	
22333	22385	22440	22519	22521	22524	22531	22553	22712	22720	
22806	22840	22829	22920	22922	22928	22959	23085	23089	23108	
23128	23135	23140	23155	23164	23275	23278	23317	23501	23487	
23507	23532	23570	23570	23612	23640	23641	23650	23724	23728	
23756	23805	23813	23817	23832	23836	23873	23897	23940	23948	
24007	24079	24097	24399	24122	24141	24185	24747	24258	24267	
24387	24470	24508	24535	24629	24683	24694	24805	24712	24714	
24727	24853	24892	24927	24993						

The above Bond Numbers will be redeemed at the principal offices of Chemical Bank, 20, Pine Street, New York, N.Y. 10015, U.S.A., Chemical Bank Avenue des Arts 48, 61040, Brussels, Belgium, Chemical Bank, 180, Strand, London WC2R 1ET, England and Kredietbank S.A. Luxembourgeoise, 37, rue Notre-Dame, Luxembourg when surrender of such Bonds for payment and cancellation.

CHEMICAL BANK on behalf of
INTERNATIONAL UTILITIES OVERSEAS CAPITAL CORPORATION.

Dated: 29th April, 1977

NOTICE

Bond Number 21918 previously called for redemption has not as yet been presented for payment.

LEGAL NOTICES

No. 001278 of 1977

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of REDEC BUILDERS LIMITED and in the Matter of The Companies Act 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 14th day of April 1977, presented to the said Court by BANDELL PERKINS LIMITED whose registered office is situate at: Cobtree Wharf, Aylesford, Maidstone, Kent, Timber Merchants, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 18th day of May 1977, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

BRADY & WALLER,
213, Blind Court,
Fleet Street,
London EC4A 3DS.
Ref: F/TTH. Tel: 01-353 5511.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 13th day of May 1977.

No. 001273 of 1977

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of EMBASSY DEMOLITION CONTRACTORS LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 14th day of April 1977, presented to the said Court by D. WEATHERHEAD LIMITED whose Registered Office is situate at Kingsmarsh Street, Royston in the County of Herts. and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 18th day of May 1977, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

BLYTH DENTON HOLLOWAY,
of 9, Lincoln's Inn Fields,
London WC2A 3DW.
Agents for
KING, METTERS & HARRISON,
of Prudential Building
58 St. Andrew's Street,
Cambridge.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 13th day of May 1977.

COMPANY NOTICES

THE RIO TINTO-ZINC CORPORATION LIMITED

ANNUAL GENERAL MEETING

NOTICE IS HEREBY Given that the fifteenth annual general meeting of the Rio Tinto-Zinc Corporation Limited will be held at the Commonwealth Hall, The Royal Commonwealth Society, 18-20 Craven Street, London WC2 on Tuesday, 24 May 1977 at 11.30 a.m. for the following purposes:

1. To consider the Company's accounts and the reports of the directors and auditors for the year ended 31 December 1976.
2. To declare a dividend on the ordinary shares.
3. To elect directors.
4. To re-appoint the auditors.
5. To authorise the directors to fix the remuneration of the auditors.
6. To consider and, if thought fit, pass the following resolution which will be proposed as an ordinary resolution, namely:
"That the directors be authorised to issue or agree to issue for cash, without the same being offered to the ordinary or accumulating ordinary shareholders, ordinary shares of the Company or foreign currency securities convertible into ordinary shares of the Company or conferring options or carrying warrants to subscribe for ordinary shares of the Company subject to the following limitations:
(i) the aggregate nominal value of the ordinary shares so issued or agreed to be issued or liable to be issued on the exercise of conversion rights or options granted in relation to foreign currency securities so issued or agreed to be issued shall not (disregarding any future adjustments of such conversion rights or options) exceed 5 per cent of the aggregate nominal value of the ordinary and accumulating ordinary shares of the Company at present in issue; and
(ii) the authority hereby conferred shall cease to have effect on the date of the annual general meeting in 1978 unless then renewed."

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll vote instead of him. A proxy need not be a member of the Company. The instrument appointing a proxy, together with any power of attorney under which it is signed, should reach either of the transfer offices of the Company not less than 48 hours before the time appointed for holding the meeting.

By Order of the Board
A. STREATFEILD
Secretary.

8 St. James's Square,
London SW1Y 4LD.
28 April 1977.

NOTES

1. Only holders of the ordinary or accumulating ordinary shares or of the "B" cumulative preference shares are entitled to attend and vote at the meeting.
2. A holder of shares warrant to bearer who desires either to attend the meeting or to appoint one or more proxies to attend and on a poll vote instead of him, will receive a ticket of admission on depositing at the Company's transfer office at 1 Redcliff Street, Bristol BS1 6NP, at least 48 hours before the meeting a written request for the issue of the ticket (and, if desired, a form of proxy) together with a certificate signed by an Authorised Depositary stating that the share warrant is in the custody of the Authorised Depositary and will be received in such custody until after the close of the meeting. If the form of proxy is to be used it must be completed and returned to the transfer office so as to be received at least 48 hours before the meeting.
a Authorised Depositaries are listed in the current issue of the Bank of England's Notice, EC1, and include Banks and Stockbrokers in, and Solicitors practising in, the United Kingdom the Channel Islands or the Isle of Man.
3. There are no contracts of service whereunder directors of the Company are employed by the Company or any of its subsidiaries at the date of this notice other than contracts expiring, or determinable by the employing company without payment of compensation within one year.

SLATER, WALKER INTERNATIONAL FINANCE LIMITED

Slater, Walker International Finance Limited advises that interest on the 7½% Guaranteed Sterling-Deutsche Mark Bonds and 8¼% Guaranteed Convertible Bonds is due on 16th May 1977. The relevant coupons may be presented for payment at the offices of the paying agents listed on the reverse of the coupons.

PUBLIC NOTICES

THE HINCKLEY PERMANENT BUILDING SOCIETY

Upper Bond Street, Hinckley,
Leicestershire LE10 1QG

NOTICE IS HEREBY GIVEN that the rate of interest on share and deposit accounts is reduced by 3% on from 1st June 1977. Accounts opened on the basis of a bred rate for a given period and also Self Service Shares are not affected.

E. T. FAULKNER,
General Manager.

LOCAL AUTHORITY BILLS

Issue date 27th April 1977
Due date 27th July 1977:
EASTBOURNE B.C.
£425,000 placed at 7 1/16%. £425,000 bills outstanding.
PRESTON B.C.
£0.7m. issued at 7 59-64ths%. Applications totalled £3.5m. £0.7m. bills outstanding
BEDFORDSHIRE C.C.
£4m. issued at 7 59-64ths%. Applications totalled £39m. £4m. bills outstanding.

APPOINTMENTS WANTED

Economic Writer/ Editor/Analyst

Seasoned, Geneva-based economic editor, U.S. national with Swiss "B" permit, substantial contacts and background in Europe and the Middle East, seeks corporate or media position. Fifteen years' economic writing experience. Mother tongue English, speaks Arabic and French. Willing relocate.

Please answer to Box D18-110048—PubMicitas, CH 1211, Geneva 3.

COMPANY NOTICE

ELECTRICIDADE DE PORTUGAL E.P.—E.D.P.

7% 1968/1988 UA 5,000,000

On April 15, 1977, Bonds for the amount of UA 480,000 have been drawn for redemption in the presence of a Notary Public.

The Bonds will be reimbursed coupon no. 10 and following attached on and after June 17, 1977.

The numbers of the drawn bonds are as follows:

013 to 018 incl. — 020 to 039 incl. — 041 — 045 to 102 incl. — 106 — 113 to 115 incl. — 139 to 146 incl. — 150 — 153 to 199 incl. — 201 to 288 incl. — 288 to 312 incl. — 314 to 498 incl. — 4585 to 4601 incl.

Amount subject to amortization: UA 480,000.

Amount unamortized: UA 1,652,000.

Outstanding drawn Bonds:
505 to 540 incl — 624 — 729 to 732 incl. — 735 — 2856 to 2861 incl. — 3570 to 3572 incl. — 3517 — 3584 — 3588 and 3587 — 3600 to 3602 incl. — 3605 to 3607 incl. — 3612 — 3615 and 3618 — 3622 to 3639 incl.—3640—3646—3666 to 3671 incl — 3681 and 3682 — 3698 to 3702 incl — 3711 — 3714 to 3717 incl — 3719 — 3759 to 3765 incl. — 3776 to 3779 incl.—3781 — 4173 — 4214 — 4239 to 4242 incl.—4273—4309 to 4315 incl.— 4419 — 4424 incl. — 4450 and 4451 — 4453 to 4455 incl. — 4459 to 4481 incl. — 4458 — 4477 — 4482 —4484 and 4485 — 4489 — 4493 and 4494 — 4512 to 4519 incl. — 4542 to 4551 incl. — 4851.

THE TRUSTEE KREDIETBANK S. A. Luxembourgeoise

Luxembourg, April 29, 1977

A COMPREHENSIVE schedule of offices available from 500-75,000 sq. ft. in central London. De Groot Collis, 01-734 1304.

OVER 40,000 SCHOOLS AND EDUCATIONAL ESTABLISHMENTS can be reached by mail. The Educational Addressing and Mailing Service, Danby House, Redhill, Surrey RH1 3DN, Merstham 2223.

PRESTIGE NAME MANFG. and Trading Co. Incorptd. 1958. £10,000 fully paid. All industries, with a trading loss of £25,000 for sale. Best offer accepted.—Write Box E.8012, Financial Times 10, Cannon Street, EC4P 4BY.

START a small import-export Agency. Free details. Work at home by post. Wade (Consultants) Ltd., Dept. F P.O. Box 5, Sutton Surrey.

IBM ELECTRIC TYPEWRITERS Factory reconditioned and warranted by IBM. Buy case up to 40 or. Lease 3 years from £3.70 weekly. Rent from £29 om. Phone 01-641 2355.

MANAGERS REQUIRED to run their own business under the direction of an extensi shed countrywide organisation. Refundable investment of £5,000. The right people, male or female, can earn £17,000 p.a.—Write Box E.9777 Financial Times, 10, Cannon Street, EC4P 4BY.

COMMODITY Appointments Ltd., traders, brokers, administrators and accountants. Tel. Graham Stewart, 01-429 1701.

COMPANY NOTICE

European Audit Manager

London £7500+ and car

Our client is a U.S. foods company operating internationally. The British Company to which the Audit Manager will be attached is located in the West country, but the position will be based at the London Office. Reporting to the V-P Finance in Chicago, he or she will be responsible for carrying out internal audits of the company's manufacturing and marketing operations in Europe.

We are looking for a mature and adaptable accountant who has had professional audit experience, has qualified as a CA., ACA., or ACCA and subsequently attained responsibility in a commercial/industrial accounting environment, preferably in the consumer product field.

A considerable amount of travel throughout Europe will be involved, and fluency in one or more European languages will be a strong asset. An induction period of up to six months in the States is envisaged.

Fringe benefits include pension and life assurance and provision of company car. Promotion prospects within the international company are good.

Please write in confidence enclosing concise personal and career details to J D Atcherley quoting reference M870/FT.

AMS
Arthur Young Management Services, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NL

A PROJECT DIRECTOR at a salary of around £12,000 p.a.

is required to manage a development company dealing in housing systems in the Middle East. The post will be based in London, but will involve considerable travel overseas.

Candidates should be able to demonstrate extensive experience (a minimum of five years) at a senior level in a major contracting company, where they would have been responsible for entire construction projects, with particular emphasis on specifying design and engineering requirements, evaluating proposals from various contractors, and eventually negotiating, controlling and programming projects awarded.

The successful candidate would be expected to report regularly to the Managing Director on the progress of contracts, to control construction costs, and to determine and control quality standards and time schedules.

We would expect the successful candidate to be between 33/45 years of age, and preferably to be a graduate and/or to have qualified to an appropriate Institute such as IOB, IOCS, ICE.

Applicants should send their detailed curriculum vitae in the strictest confidence to A. F. Magauran at:

49 Park Lane,
London W.1.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● PUMPING

Produces strong jets of water

LATEST product from A. Long and Co. is a high-pressure reciprocating pump for operation up to 15,000 psi.

The pump is capable of delivering 150 imperial gallons a minute and has been specifically designed for industrial operations which call for the use of powerful jets of water.

Three models are available to give low, standard or high operating pressures. All models are fitted with stainless steel valves and are suitable for use with seawater. Moving parts of the new pump are pressure-lubricated and oil cooling is available for very heavy duty applications.

Long, which has its headquarters at Pulborough Way, Green Lane, Hounslow, Middx. TW4 6DE (01-572 2896), is manufacturing the pump at its Pumps Division, Storrington, Sussex.

● INSTRUMENTS

Finds the small leak

THE INFICON HLD2 sniffer gun for leak detection in pressurised systems is available from Leybold Heraeus.

Particularly sensitive to gases containing halogens, the instrument is able to detect losses down to a fraction of a gramme per year of gases such as sulphur hexafluoride, carbon tetrachloride, trichlorethylene and the refrigerant gases.

The portable unit, needing connection only to 110 or 240V mains, is carried around the system under test and the slim "sniffer" gun (attached to 4.5 metres of cable) used as a probe near the pressurised components. Life of the sensing head generally exceeds 1,000 hours.

More about the unit, which measures 222 x 135 x 230 mm. and weights 5 kg. can be obtained from Leybold Heraeus, 173, Greenwich High Road, London SE10 8JA (01-858 1127).

● ELECTRONICS

Zero force socket

INTENDED for use in test equipment or development "breadboards" is an integrated circuit socket from BFI Electronics that requires no insertion force.

Known as the ZIP DIP, the device virtually eliminates integrated circuit lead damage and distortion—a frequent problem when leads are forced into sockets working on the spring contact principle.

The socket has a tiny lever at one end connected to an internal cam. The component is simply dropped into the socket and the lever flicked up to positively clamp the leads inside the socket.

Versions are available for components having from 14 to 42 leads and there is also a range working on a 0.1 in. grid. All have enlarged apertures and clamping that automatically compensates for different lead thicknesses, bent leads and irregular spacings.

More about the sockets, which are particularly suitable for high volume manual testing from the company at Sinclair House, The Avenue, West Ealing, London W13 8NU (01-998 2113).

● TEXTILES

Safer way to retard flames

MOST OF the world's man-made fibre producers are either making, or have under development, different types of fibres that offer a degree of flame retardancy. Stringent legislation, particularly in the U.S., has given the matter considerable importance over the past few years and for any manufacturer who wishes to continue with business in the lucrative American market it is something he has to watch very carefully.

Many of the FR fibres, as they are normally described, are protected by the inclusion of halogenous compounds during production, but one problem associated with this type of compound is that it can release highly toxic fumes when exposed to flames or even great heat.

Now a completely new type of FR viscose rayon staple has been introduced by the Austrian fibre producer Chemiefaser Lenzing A.G. (British agent: Ullmann and Bamforth, Austral House, Well Street, Bradford BD1 5PS. Tel. 0724 33914). It does not depend for its properties on this type of compound and so is safe in terms of toxicity.

Produced in dull, raw white, it is made in 1.7, 3.3, 5.5 and 8.9 dtex and with staple lengths between 38 and 120 mm. It has a maximum tensile strength dry of 22-24 cN/tex and when wet, of 13-15 cN/tex.

Although it behaves very much the same as conventional viscose rayon staple during processing, it does tend to take-up more dye in the bath than ordinary viscose and so is liable to emerge in a deeper shade. The main applications expected for the new fibre are in curtains, upholstery, blankets, wall coverings and even apparel.

Putting a face to the figure.

Personal portraits on T-shirts

IMPROVING on an idea which originated in the U.S. is equipment now being launched in Britain which will reproduce virtually any portrait including that of the wearer on a T-shirt, using closed circuit TV the output of which is analysed by a small computer and processed to drive a matrix printer. It is intended to attack the U.S. market as well.

Logabax and Integrex collaborated on the latter part of the process to improve clarity and contrast and bring down the cost of the equipment.

This has been achieved since the system they have developed costs about half that of the opposition and by using the Logabax LX360 twin headed bidirectional printer is much faster.

Linking the camera to the printer is the Integrex digitiser which uses advanced electronics to convert every third line of camera output to instructions.

This instruction stream is translated on the modified printer into character and graphic printing at ten lines per inch instead of the usual six. The result is the possibility of reproducing solid areas and the provision of improved contrast.

First systems which include heat transfer equipment to fix the portraits on the T-shirt material have been installed at the Regent Street London, store of Seefeld Plaza and at three other locations in Britain.

The Integrex/Logabax equipment is to be marketed both inside Britain and abroad by Computer Pics, a company which operates from 86 Edgware Road, London, W.2. 01-402 6571.

● TRANSPORT

London test on electric vehicles

UNDER the auspices of the Department of Industry, the Greater London Council is to carry out a protracted test of delivery vehicles powered by batteries in the range 0.75 to 2 tonnes and DoI is making available £400,000 for the purposes of the work.

The vehicles will be selected to be as close as possible in design to internal combustion engined vehicles with the same carrying capacity to permit a very close comparison during the period of the test which will last some three years.

It is expected that Chloride, Lucas and Crompton will be in the forefront of the bidding since they have done the most work in this area of electric vehicle applications. Chloride, it is understood, is preparing to submit a project for the supply of some 25 of its Silent Karrier 35 cwt units, powered by high energy batteries (lead-acid compact).

The company will be delivering 15 of these units, based on a Chrysler layout, in July this year to several groups, including W. H. Smith and Woolworths.

Chloride has just signed an agreement with Electric Vehicle Associates of Cleveland, Ohio, for the formation in the U.S. of a joint company (50—50) to make and sell buses, and five of these electric vehicles are under construction by the joint concern for delivery in the near future.

EVA, set up in 1974, has been making what it calls the 35/40 sealer Electrobus of which several are working in New York and Florida. The company also makes a 500 lb payload van.

Chloride and its associate are in active discussions with ERDA (Energy Research and Development Agency) in the U.S. for a grant to support the development of electric vehicles.

● CONFERENCES

Finding a market in Ontario

MIDLANDS companies interested in expanding into the Canadian and North American markets are being invited to meet Ontario government business counsellors at a series of meetings planned for May 10-13 at the Post House Hotel, Great Barr, Birmingham.

Local companies which make products and technology new to these markets are being contected. The aim is to acquaint them with opportunities for expansion through licensing and joint venture arrangements with Ontario companies or by establishing their own branch plants in the Canadian province.

Interested companies will be put directly in touch with potential Canadian partners and licensees

Full details from: Business Development Branch, Ontario House, Charles II Street, London SW1Y 4QS (01-930 6404).

● MATERIALS

Weld kits are diesel

SUITABLE FOR variety of ferrous and non-ferrous work, four diesel engined welding generators have been developed by Wysepower, Drove Road, Everton, nr. Gamlingay, Sandy, Beds. SG19 2HX (0767 50011).

The 300 amp machine is mounted on a hand trolley or fast tow trailer, and the 400 amp version on a road trailer, or skids. Powered by Lister air-cooled diesel engines, a single knob allows the operator to work with an infinitely variable welding current.

Suggested users include the construction, shipbuilding and pipeline industries, and the machines are said to be capable of working with all metals from stainless steel to aluminium, and on casting repair work.

● TRANSPORT

Heavy duty fork lift truck

DESIGNED TO operate in warehouses and on rough terrain, an eight tonne capacity site lift semi-industrial truck has been launched in the U.K. by Manitou.

Hydraulic shock absorbers and large diameter wheels with low pressure tyres provide stability for handling large or fragile loads, and the one piece chassis will withstand the high stresses imposed by heavy or wide loads.

Hydraulic power steering and a turning radius of 3.76 metres give manoeuvrability. Dynamic braking is through the hydrostatic drive system, and forward-reverse changes can be made on the move. The wheel hub motors are from Poclain Hydraulics, and are slow speed for high starting torque. The progressive application of torque eliminates wheel spin on soft ground.

An "inching" pedal enables the operator to regulate creep speeds by controlling the transmission oil flow, while maintaining full engine power for the truck's hydraulic system. Normal regulation of speed is by the accelerator pedal, which controls the engine speed and therefore the variable delivery hydraulic pump.

Through-mast visibility is achieved by positioning the two lift rams close to the mast side members. Lift height is 4 metres at 600mm. load centres, and the mast can be tilted 12 degrees forward and 15 degrees back. Cost of the truck is about £25,000.

It will be shown in this country for the first time at the Contractors' Mechanical Plant Exhibition, Haydock Park, May 5 to 7.

Marketing in the U.K. is by Manitou (Site Lift), Mayflowers Close, Chandlers Ford, Hants. (04214 665541), and the truck is made by the parent company at Ancenis, in France.

● SECURITY

Tiny wireless alarm

EASILY carried in pocket or bag or installed in premises without wiring runs is a compact transmitter which can raise an alarm at up to 150 feet from a central receiver/alarm unit.

Carried on the person the device, called Interceptor, constitutes a "panic button" which can be carried around by security guards, night watchmen and garage attendants and could also be useful to bank employees likely to be held up before entering premises in the morning.

Made in the U.S., the device has been further developed in the U.K. to met Home Office requirements by Tye Security, Dolphin Road North, Sunbury on Thames, Middlesex (Sunbury 89631). It operates in the upper vhf band and using two-frequency modulation is able to ensure that the signal from each transmitter cannot be confused with any other radio transmissions. Single and multi-channel transmitters can be supplied.

For premises protection the transmitters, which measure only 3¼ x 2 x 1 inches can be easily wired to door and window sensors. Receivers can if necessary be connected to telephone lines.

● *By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.*

هكذا من الاصل

Drax plan could cause redundancies in mining

BY ROY HODSON

THE GOVERNMENT'S plan to save power engineering jobs by building the second coal-fired Drax power station in Yorkshire at a cost of £600m. two years before it is needed will have the effect of transferring redundancy to other industrial sectors.

Until now the Central Electricity Generating Board, backed by the Electricity Council and the area electricity consumers' councils, has been objecting to the early ordering of the power station principally on cost grounds. The electricity authorities calculate that electricity consumers would face an extra burden of up to £180m. in interest charges.

But a new assessment of the effects of early ordering indicates a big impact on jobs in coal mining as well as among power station staffs.

The CEGB has warned the Government that several old coal-fired power stations would have to be closed early causing a total cut in the CEGB's labour requirements of about 2,000 man years. In addition, National Coal Board coal sales to the Board would be cut by 1.5m. tonnes representing a labour requirement reduction in mining of about 3,000 man years.

The highly efficient Drax station would reduce the CEGB's need for less efficient capacity and several smaller and older stations equipped with generating sets below 100 megawatts capacity would face closure. The new Drax is to have three generators each of 660 megawatts capacity.

If the second Drax can be built for £600m. at October, 1977 prices the investment pattern will be as follows:

Financial year after order:	
First	£20m.
Second	£80m.
Third	£170m.
Fourth	£190m.
Fifth	£100m.
Sixth	£30m.

The remaining £10m. would be spent before and after the six-year estimated building period.

Bringing forward the completion of the station will not give the CEGB bigger sales to offset the extra interest costs of borrowing £600m. before it had planned to do so.

The Board has replied to suggestions that it has over-estimated its likely extra interest burden by stating that consumers will have to provide between £140m. and £180m. for higher electricity charges if interest rates are in the range of 12 per cent. to 15 per cent. If rates drop to as low as 8 per cent. the extra cost would be about £100m.

The electricity authorities will also have to find an extra £15m. to man and run Drax from a date two years earlier than planned. The CEGB would, however, expect to save £30m. over the two years by purchasing less coal because of the greater efficiency of Drax, and another £10m. by closing certain power stations after meeting redundancy payments.

When the £600m. contract is put out to tender, the work is expected to be distributed in the proportions: £125m. for the turbo-generators; £175m. for the boilers; and £300m. for the cables, switchgear, control equipment, and ancillary equipment.

Streamlining of State Docks Board results in £25.8m. surplus

BY ROY ROGERS, SHIPPING CORRESPONDENT

THE STATE-OWNED British Transport Docks Board improved its return on capital last year from 8 per cent. to 15.5 per cent. by achieving a surplus of £25.8m.

According to the Board's annual statement for 1976, published yesterday, there was a net surplus before tax of £11.6m. in spite of interest payments of £8.7m. and a £6m. transfer to reserves to cover replacement cost depreciations.

Commenting on the improved results, Sir Humphrey Browne, the Board's chairman (pictured right), said that the major factors in improving profitability had been benefits arising from capital investments at the ports, a continuing tight control of costs and an 8 per cent. increase in traffic, taking it to 33.5m. tonnes.

Principal traffic increases were a 20.5 per cent. rise in ores to 10.9m. tonnes; and a 13.9 per cent. jump in manufactured goods and other commodities to 18.2m. tonnes.

Unit load traffic through Docks Board ports rose significantly to a record 683,000 freight units, an increase of 16 per cent. There was a similar growth of shipments of motor vehicles. The total number of passengers through the ports remained the same as in 1975 at just over 3m.

In spite of streamlining some activities and reducing staffing levels in some areas, inflation forced the Board to raise port charges early in 1976 and again in January, 1977. But no additional increase is expected for the remainder of this year provided there is no major change in the rate of inflation.

On the Board's future prospects, Sir Humphrey says that because of inflation the 15.5 per cent. return on capital cannot be regarded as adequate for the long-term health of the Board and improvement was necessary.

Although he hoped for some improvement this year, he stressed that much will depend on the degree of freedom from industrial disputes within and outside the ports industry, as well as general economic trends and available traffics.

GEC unions support takeover of Parsons

BY MAX WILKINSON

SUGGESTIONS that the General Electric Company should take over the turbine generator operations of C. A. Parsons were strongly backed by GEC's trade unions yesterday.

But they said the merger should only go ahead on condition that their jobs were not sacrificed to provide work for Parsons in the North-East.

In a statement yesterday which the unions were trying to put before Mr. Eric Varley, the Industry Secretary, they said: "GEC employees are not prepared to see their employment prospects put in jeopardy by preferential treatment being given to Parsons by the advanced order and placing of a new power station at Drax, near Selby."

Mr. Alec Green, chairman of the GEC Turbine-Generator joint trade union combined committee explained yesterday that they were annoyed that the case of Parsons workers seemed to be getting a large amount of publicity while theirs was not widely known.

He said they accepted the suggestions of the report by the Central Policy Review Staff (Think Tank) that the two companies should combine to produce a single technology. They were prepared to co-operate with this and believed that GEC was the best company equipped to run the industry.

Mr Green stated he had been having some difficulty in getting to see Mr. Varley, partly, he believed, because of the attitude of the National Confederation of Shipbuilding and Engineering Unions, which is acting as official spokesman for the unions involved in the talks.

It is now expected that the Government will announce future plans for the industry quite soon. It is being pressed to do so by the companies who believe that continued uncertainty will damage the industry in the eyes of potential foreign customers.

The Think Tank report is said to have been circulated by competitors as an argument for not buying British. In the face of these pressures, the Government has accepted that GEC should run the merged companies, and the main Board of Reyrolle-Parsons is prepared to agree to this outcome on certain conditions.

One of the main difficulties remaining is the attitude of the Parsons unions who are resolutely against a takeover by GEC. They already face a run-down of 1,600 of the labour force by the end of next year.

U.K. urged to play greater EEC role

BY ANDREW TAYLOR

BRITAIN SHOULD not remain preoccupied with its current domestic difficulties but should try to extend its role and influence inside the European Community, Sir Donald Maitland, British Ambassador to the EEC, said last night.

He told the Institution of Civil Engineers that Britain must satisfy its European colleagues that it is not using the EEC solely for its own interests "even though they might recognise that to some extend we are still seeking to restore the balance that was distorted by our long years of absence from the Community.

"If we are to play our due role in Europe, if we are to ensure that Community policies not only respond to our particular circumstances but also serve the wider European interest, then we must see ourselves, despite our domestic preoccupations, as a pillar of the Community and not a flying buttress."

He stressed the importance of the EEC in world affairs. The Community represented the world's largest single market.

Treasury relaxes dividend curbs on some companies

BY MARGARET REID

COMPANIES which have 90 per cent. or more of their assets abroad and which get at least 90 per cent. of their earnings from operations overseas will normally be regarded as exempt from dividend controls.

This was stated yesterday by the Treasury in a clarification of its approach on dividend control which it said did not involve any change of policy. Nonetheless, the applications of all companies subject to the control will be considered on their merits.

The Treasury made its announcement following a number of inquiries after companies with the bulk of their business and earnings abroad, such as Inchcape and Rio Tinto-Zinc Corporation, had been exempted from the control, which generally limits dividend increases to 10 per cent.

Companies which are officially accepted as resident abroad for tax and exchange control purposes will also be exempted, the Treasury said.

Behind the exemption of companies with a very high proportion of their business abroad is the view that these concerns, altough U.K.-based, would be put in particular difficulties in their relations with overseas governments and shareholders

Sun Life £60,000 grant to ex-director explained

A £60,000 SPECIAL payment to a long-serving former general manager and director of Sun Life Assurance Society who had retired early was in recognition of the fact that the curb on pay rises had held down his pension, it emerged last night.

Mr. Philip Walker, Sun Life Assurance's chairman, said that the £60,000, shown in the annual accounts as an ex gratia payment to a former director, went to Mr. Lawrence Cottrell, the general manager who retired last summer after more than 40 years with the group.

Mr. Walker said that it had been made in appreciation of Mr. Cottrell's service to the society. Pointing out that Mr. Cottrell had retired early, Mr. Walker remarked that the Board had taken into account the fact that pay rises had recently been restricted by the Government's pay policy.

"That in turn holds down pensions, which are for life," Mr. Walker said, adding that Mr. Cottrell's pension was related to his salary, which was lower than he would otherwise have been getting. "We were, I think, entitled to take that into account," he commented.

NOTICE OF REDEMPTION to the holders of

Ente Nazionale per l'Energia Elettrica (ENEL)

(Italian National Electric Energy Agency)

Guaranteed Floating Rate Loan Notes 1980

NOTICE IS HEREBY GIVEN, that pursuant to the Fiscal Agency Agreement dated May 27, 1970, there has been selected for redemption on May 31, 1977, through operation of the Sinking Fund, $3,999,000 principal amount of Ente Nazionale per l'Energia Elettrica (ENEL) Guaranteed Floating Rate Loan Notes 1980. The following are the serial numbers of the Loan Notes which will be redeemed, in whole or in part:

Loan Notes in the principal amount of $1,000 bearing the prefix M to be redeemed in whole.

4	1071	2351	3723	5067	6699	8101	9385	10687	11833	13477	14819	16206	19271	21101	23120	24643	26095	27440	28813	30348	33722	34642	35354	35946	36956	38264	39293	40151	41765	43313	44760	46329	47504	50600
25	1077	2368	3745	5092	6741	8124	9425	10695	11847	13499	14824	16213	19289	21151	23132	24665	26117	27450	28827	30360	33734	34644	35357	35955	36970	38269	39344	40163	41811	43342	44814	46344	47527	50648
47	1099	2374	3753	5113	6763	8168	9441	10717	11853	13521	14858	16228	19312	21167	23155	24707	26138	27484	28845	30363	33742	34654	35375	35957	36984	38285	39359	40184	41825	43350	44841	46352	47631	50660
63	1114	2396	3772	5128	6785	8180	9463	10721	11864	13548	14880	16250	19319	21170	23172	24722	26164	27495	28858	30474	33756	34664	35388	35968	36996	38291	39362	40205	41844	43368	44890	46361	47711	50689
71	1133	2418	3776	5140	6805	8202	9479	10735	11873	13554	14884	16259	19337	21177	23193	24859	26199	27829	28860	31537	33761	24672	35403	35974	37006	38311	39373	40215	41905	43397	44940	46377	48023	50740
78	1141	2421	3800	5162	6827	8224	9488	10741	11901	13578	14918	16265	19359	21198	23198	24862	26225	27837	28868	31549	33764	34683	35409	35984	37019	38317	39400	40230	41950	43401	44989	46393	48120	50771
96	1163	2443	3822	5180	6841	8246	9501	10761	11911	13580	14986	16272	18364	21195	23213	24879	26242	27845	28892	31553	33785	34685	35418	35993	37041	38320	39410	40244	41993	43437	45013	46395	48211	50844
105	1172	2450	3844	5215	6863	8257	9523	10775	11933	13596	14960	16297	19386	21208	23235	24916	26261	27850	28902	31575	33788	34692	35424	35989	37113	38346	39419	40251	42034	43450	45023	46408	48237	50999
128	1194	2470	3864	5245	6885	8272	9550	10797	11841	13607	14982	16315	19391	21220	23249	24963	26283	27858	28923	31583	33803	34699	35438	36010	37126	38360	39452	40258	42056	43482	45060	46429	48293	51001
153	1216	2483	3886	5267	6897	8288	9572	10805	11950	13619	15004	16325	19403	21227	23267	25005	26299	27869	29001	31636	33810	34707	35457	36022	37144	38368	39457	40287	42064	43494	45078	46437	48296	51075
159	1238	2503	3893	5289	6908	8310	9594	10824	11962	13641	15026	16571	19409	21262	23320	25027	26379	27881	29028	31664	33822	34714	35460	36025	37215	38390	39470	40304	42078	43500	45110	46455	48382	51226
181	1257	2510	3907	5318	6930	8327	9616	10841	11970	13659	15048	16580	19419	21267	23336	25047	26401	27908	29031	31689	33837	34728	35463	36037	37228	38399	39476	40318	42092	43527	45138	46474	48494	51262
203	1279	2542	3941	5328	6937	8345	9628	10863	11984	13674	15070	16602	19432	21273	23358	25074	26404	27910	29051	31697	33852	34744	35472	36039	37262	38413	39488	40329	42137	43543	45154	46480	48536	51284
225	1301	2587	3945	5343	6961	8359	9650	10881	12006	13680	15092	16617	19456	21304	23363	25096	26568	27930	29083	31727	33867	34758	35480	36048	37267	38438	39504	40334	42145	43565	46191	46490	48571	61327
247	1323	2610	3966	5365	6983	8368	9672	10896	12028	13719	15114	16628	19462	21317	23375	25098	26591	27948	29092	31734	33882	34765	35486	36057	37295	38450	39511	40365	42172	43580	45202	46510	48625	51372
253	1347	2628	3988	5387	7005	8380	9694	10904	12077	13721	16135	16650	19471	21339	23385	25105	26600	27960	29114	31959	33897	34771	35489	36071	37320	38461	39518	40381	42186	43594	45220	46512	48650	51422
275	1369	2640	4000	5410	7027	8400	9710	10926	12099	13742	15147	16654	19479	21361	23395	25110	26607	27988	29120	31963	33904	34789	35497	36093	37331	38468	39521	40398	42210	43631	45235	46551	48662	51541
297	1391	2654	4011	5419	7049	8406	9738	10940	12124	13764	15165	17296	19504	21383	23406	25133	26610	28001	29142	31993	33918	34798	85505	36100	37352	38482	39526	40419	42248	43648	45260	46575	48713	51594
306	1413	2680	4026	5441	7071	8432	9755	10962	12131	13788	16169	17809	19517	21468	23428	26135	26632	28018	29152	31995	33928	34809	35514	36117	37371	38487	39540	40434	42254	43660	45273	46577	48715	51600
319	1435	2676	4037	5463	7093	8454	9777	10884	12144	13800	15190	17396	19533	21479	23431	25148	26636	28044	29167	32017	33943	34819	85527	36119	37395	38493	39548	40459	42271	43674	45299	46586	48794	51632
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356	1478	2706	4083	5507	7134	8497	9798	11007	12195	13834	15234	17434	19569	21503	23468	25193	26665	28089	29208	32061	33973	34856	35540	36155	37443	38539	39574	40497	42328	43718	45340	46648	48936	51677
362	1502	2746	4105	5535	7148	8519	9814	11024	12220	13856	15258	17755	19579	21523	23491	25202	26671	28104	29217	32083	33988	34862	35547	36161	37453	38543	39584	40517	42336	43737	45347	46664	48980	51703
387	1510	2766	4140	5557	7160	8537	9836	11032	12241	13885	15275	17778	19601	21534	23568	25225	26693	28129	29270	32104	34008	34870	35555	36164	37455	38555	38601	40527	42360	43756	45397	46669	49015	51778
391	1532	2788	4152	5598	7182	8559	9853	11054	12259	13907	15297	17791	19614	21727	23582	25229	26705	28142	29286	32125	34022	34882	35557	36170	37518	38570	39618	40530	42375	48774	45400	46692	49041	51798
402	1554	2811	4175	5624	7208	8581	8875	11078	12281	13919	15317	17804	19625	21731	23598	25238	26722	28146	29290	32220	34037	34897	35563	36180	37527	38572	39648	40546	42391	43800	48411	46700	49094	51832
418	1568	2851	4200	5654	7230	8597	3897	11098	12303	13941	15335	17814	19639	21780	23609	25242	26729	28164	29301	32242	34051	34905	85568	36194	37556	38580	39661	40570	42404	43815	45425	46716	49097	61870
437	1576	2853	4222	5681	7253	8603	9919	11118	12327	13958	15357	17862	19651	21798	23616	25254	26751	28170	29306	32946	34066	34917	35574	36199	37573	38591	39664	40594	42430	43830	45456	46753	49118	51873
441	1598	2888	4244	5707	7268	8619	9953	11140	12349	13980	15369	17915	19665	21800	23625	25266	26776	28179	29343	32968	34082	34932	35583	36224	37581	38610	39670	40600	42436	43852	45478	46769	49204	51900
446	1620	2911	4266	5729	7290	8625	9985	11162	12378	14000	15391	17942	19680	21821	23627	25265	26798	28187	29365	33042	34097	34943	35595	36235	37648	38617	39676	40607	42458	43863	45490	46797	49256	51914
467	1642	2933	4288	5751	7312	8647	9993	11182	12408	14045	15413	17973	19692	21832	23663	25284	26812	28196	29373	33051	34112	34957	35600	36257	87681	38633	89723	40612	42473	43888	48508	46801	49282	51887
488	1704	2897	4311	5759	7328	8669	10015	11197	12430	14067	15438	17982	19695	21841	23675	25301	26834	28209	29405	33073	34120	34962	35607	36268	37685	38659	39730	40836	42498	43894	45542	46811	49328	52039
493	1727	3018	4323	5781	7343	8691	10037	11204	12452	14090	15470	17990	19702	21914	23697	25323	26856	28221	29417	33095	34128	34974	35616	36282	37704	38664	38740	40648	42500	43924	45573	46829	49358	52067
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560	1844	3124	4404	5897	7429	8783	10123	11303	12585	14184	15622	18080	19780	22027	23781	25411	26949	28328	29492	33178	34201	35025	35851	36341	37799	38700	89765	40683	42600	44007	45678	46922	49504	52400
574	1854	3149	4426	5917	7451	8805	10137	11326	12607	14219	15644	18146	19788	22050	23804	25433	26971	28340	29527	33199	34218	35029	35665	36358	37803	38706	89767	40705	42618	44013	45703	48927	49542	52521
581	1873	3166	4448	5939	7472	8813	10156	11336	12639	14221	15652	18155	19807	22064	23806	25436	26993	28347	29532	33223	34231	35043	35671	36380	37833	38717	38781	40728	42623	44035	45711	46937	49603	52653
603	1891	3188	4470	5954	7494	8836	10174	11354	12660	14243	15654	18177	19819	22104	23828	25494	27004	28349	29652	33233	34242	35058	35678	36382	37844	38725	39785	40755	42642	44057	45738	46963	49663	52666
612	1913	3210	4494	6003	7521	8852	10188	11368	12672	14260	15690	18238	19824	22166	23855	25513	27032	28360	29673	33273	34248	35063	35690	36396	37814	38743	39800	40769	42650	44070	45756	46978	49700	52723
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701	1987	3299	4556	6100	7611	8914	10272	11428	12802	14346	15793	18618	19866	22241	23944	25570	27144	28564	29698	33345	34309	35106	35742	36470	37983	38789	39820	40847	42760	44121	45883	47041	49894	53150
723	1989	3338	4574	6122	7635	8926	10294	11440	12824	14353	15838	18630	19868	22253	23966	25588	27163	28571	29701	33360	34323	35117	35751	36474	37997	38800	39827	40858	42797	44132	45890	47060	49927	53196
744	2011	3360	4620	6144	7657	8948	10297	11482	12846	14367	15841	18644	19884	22268	23988	25606	27167	28575	29707	33381	34338	35127	35758	36487	38011	38804	39830	40864	42801	44147	45936	47083	49982	53227
769	2024	3382	4664	6183	7675	8978	10312	11480	12869	14385	15843	18668	19995	22277	24010	25614	27177	28584	29729	33405	34353	35141	35762	36488	38031	38809	38833	40894	42818	44155	45960	47098	49987	53401
766	2041	3404	4686	6215	7697	9000	10334	11499	12893	14400	15921	18675	20003	22348	24032	25634	27179	28590	29737	33417	34368	35148	35765	36508	38033	38814	39842	40924	42831	44167	45975	47126	50003	53457
787	2045	3426	4700	6246	7718	9083	10355	11504	13002	14424	15929	18692	20007	22367	24055	25657	27183	28598	29746	33428	34384	35163	35781	36562	38060	38833	39865	40967	42858	44179	45997	47131	50033	54004
808	2059	3436	4708	6268	7740	9055	10377	11518	13026	14436	15938	18698	20011	22389	24077	25679	27202	28605	29752	33443	34400	35172	35784	36576	38065	38851	39870	41001	42908	44203	46009	47158	50045	54129
838	2067	3459	4722	6290	7761	9077	10382	11538	13056	14442	15943	18710	20023	22411	24103	25681	27209	28607	29794	33458	34413	35180	35790	36578	38083	38867	39877	41040	42935	44224	46017	47167	50092	63212
857	2078	3481	4744	6308	7783	9098	10398	11561	13090	14444	15948	18721	20030	22652	24125	25694	27224	28627	29807	33473	34418	35209	35800	36587	38096	38863	39881	41057	42960	44231	46051	47202	60110	
879	2100	3499	4765	6328	7804	9112	10406	11582	13136	14476	15970	18743	20043	22746	24147	25730	27250	28630	29829	33488	34432	35214	35803	36594	38103	38870	39890	41125	42973	44238	46078	47210	50128	
893	2123	3506	4811	6340	7826	9124	10424	11604	13159	14501	15972	18759	20045	22800	24169	25752	27272	28641	29831	33503	34447	35220	35821	36644	38107	38878	39894	41158	43050	44255	46107	47246	50161	
903	2135	3528	4818	6362	7849	9143	10445	11627	13184	14531	15998	18781	20048	22822	24191	25770	27302	28650	29641	33518	34462	35233	35837	36653	38111	38893	39897	41195	43071	44304	46119	47264	50217	
910	2147	3540	4840	6384	7871	9165	10460	11640	13219	14560	16017	18796	20075	22844	24225	25795	27309	28664	29854	33533	34477	35239	35842	36684	38119	38932	39899	41230	43080	44338	46140	47280	50246	
930	2169	3560	4862	6403	7890	9187	10482	11653	13241	14593	16023	18804	20098	22866	24247	25819	27321	28684	29950	33548	34492	35254	35849	36716	38139	38977	39947	41269	43100	44375	46172	47294	50274	
938	2181	3581	4884	6425	7912	9209	10504	11665	13285	14612	16030	18816	20117	22873	24308	25835	27327	28683	29962	33563	34495	35256	35855	36737	38145	38980	39959	41309	43131	44400	46181	47309	50316	
956	2204	3603	4892	6447	7930	9218	10523	11679	13307	14643	16051	18828	20139	22937	24330	25859	27344	28704	29964	33578	34500	35274	35869	36750	38157	38987	39975	41374	43157	44465	46201	47315	50324	
961	2224	3622	4906	6477	7952	9229	10546	11687	13329	14647	16059	18835	20161	22960	24372	25875	27349	28722	29966	33595	34515	35282	35871	36757	38170	39021	39988	41450	43168	44471	46221	47350	50259	
983	2240	3629	4928	6510	7971	9251	10568	11694	13351	14669	16074	18857	20165	23001	24401	25896	27366	28730	29987	33610	34527	35291	35873	36771	38186	39062	40030	41522	43183	44501	46228	47368	50378	
993	2262	3642	4940	6532	7983	9278	10590	11709	13374	14691	16091	18872	20267	23003	24423	25919	27375	28738	29996	33627	34542	35297	35881	36776	38209	39097	40025	41559	43208	44545	46240	47400	50440	
1011	2274	3647	4964	6565	8001	9290	10596	11730	13396	14713	16114	18899	20288	23018	24478	25941	27382	28752	30005	33644	34557	35305	35891	36784	38212	39137	40040	41606	43236	44610	46253	47404	50456	
1017	2297	3666	4976	6582	8023	9293	10617	11747	13418	14735	16116	18921	21032	23023	24502	25963	27384	28764	30010	33659	34573	35307	35900	36824	38214	39175	40093	41645	43244	44626	46266	47433	50469	
1022	2303	3668	4985	6604	8043	9315	10627	11769	13439	14757	16133	18944	21055	23047	24524	25998	27399	28781	30026	33677	34589	35313	35906	36827	38216	39219	40105	41703	43250	44639	46289	47458	50483	
1036	2324	3689	5017	6636	8064	9327	10646	11773	13453	14775	16147	18976	21077	23068	24575	26048	27408	28785	30280	33692	34605	35328	35924	36884	38225	39252	40113	41723	43271	44680	46305	47480	50562	
1049	2329	3701	5039	6680	8079	9363	10653	11795	13456	14797	16184	19208	21099	23082	24620	26060	27428	28807	30289	33707	34620	35348	35836	36895	38229	39288	40123	41752	43298	44708	46310	47500	50598	

Loan Notes in the principal amount of $10,000 bearing the prefix X and the principal amount to be redeemed.

Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed
18	$1,000	2581	$2,000	4940	$1,000	5724	$1,000	6088	$1,000	6478	$1,000	6881	$1,000	7223	$1,000	7525	$1,000	7905	$1,000	8227	$1,000	8484	$1,000
17	1,000	2639	1,000	4948	1,000	5728	1,000	6095	1,000	6482	1,000	6886	2,000	7227	1,000	7529	1,000	7911	1,000	8231	1,000	8487	1,000
56	1,000	2651	1,000	4966	1,000	5732	4,000	6099	2,000	6487	2,000	6892	1,000	7230	2,000	7534	2,000	7916	1,000	8234	2,000	8489	1,000
78	3,000	2681	1,000	4980	3,000	5734	1,000	6104	1,000	6490	2,000	6894	1,000	7238	1,000	7537	1,000	7919	1,000	8240	1,000	8492	2,000
128	1,000	2693	3,000	4986	1,000	5739	2,000	6111	1,000	6494	2,000	6898	2,000	7241	1,000	7542	1,000	7922	1,000	8242	1,000	8494	1,000
163	1,000	2711	1,000	5005	1,000	5744	1,000	6122	2,000	6499	3,000	6901	1,000	7244	1,000	7545	2,000	7927	5,000	8245	3,000	8498	1,000
174	2,000	2745	2,000	5029	1,000	5750	3,000	6129	1,000	6502	1,000	6904	1,000	7247	3,000	7548	1,000	7932	2,000	8246	1,000	8499	1,000
215	1,000	2766	2,000	5033	2,000	5754	1,000	6135	1,000	6507	1,000	6909	1,000	7250	2,000	7552	1,000	7937	1,000	8253	1,000	8501	3,000
291	1,000	2771	1,000	5036	1,000	5758	1,000	6139	1,000	6512	1,000	6913	3,000	7256	1,000	7555	1,000	7941	1,000	8255	1,000	8504	1,000
315	1,000	2810	1,000	5058	1,000	5764	1,000	6144	2,000	6516	3,000	6918	2,000	7259	1,000	7559	1,000	7947	1,000	8257	1,000	8506	1,000
343	5,000	2859	1,000	5062	8,000	5769	2,000	6147	1,000	6519	1,000	6920	1,000	7262	1,000	7562	2,000	7954	2,000	8263	2,000	8509	2,000
396	2,000	2870	1,000	5195	2,000	5774	1,000	6152	1,000	6525	1,000	6924	1,000	7266	2,000	7566	1,000	7957	1,000	8268	1,000	8511	1,000
428	1,000	2882	2,000	5241	1,000	5778	1,000	6156	3,000	6529	1,000	6927	1,000	7270	2,000	7572	1,000	7960	8,000	8270	1,000	8514	1,000
440	1,000	3064	1,000	5266	1,000	5782	1,000	6161	2,000	6533	1,000	6929	2,000	7274	1,000	7577	3,000	7968	1,000	8271	1,000	8517	2,000
478	2,000	3097	3,000	5278	2,000	5787	2,000	6164	1,000	6537	1,000	6932	1,000	7277	1,000	7580	1,000	7971	1,000	8274	2,000	8520	1,000
516	1,000	3123	1,000	5289	1,000	5791	1,000	6168	1,000	6540	2,000	6935	1,000	7283	1,000	7583	1,000	7974	1,000	8281	1,000	8522	1,000
536	3,000	3142	1,000	5297	1,000	5795	1,000	6169	1,000	6545	3,000	6940	3,000	7290	1,000	7589	2,000	7980	2,000	8284	1,000	8525	1,000
552	1,000	3158	1,000	5305	3,000	5799	1,000	6176	2,000	6549	1,000	6944	1,000	7295	2,000	7592	1,000	7983	1,000	8288	1,000	8527	2,000
605	1,000	3202	2,000	5339	1,000	5803	3,000	6181	1,000	6553	1,000	6947	1,000	7302	1,000	7597	1,000	7988	4,000	8294	2,000	8530	4,000
704	1,000	3260	1,000	5368	1,000	5808	1,000	6184	1,000	6557	1,000	6950	2,000	7307	1,000	7600	1,000	7993	1,000	8299	1,000	8532	1,000
727	1,000	3298	1,000	5394	1,000	5813	1,000	6189	4,000	6561	2,000	6952	1,000	7316	4,000	7604	1,000	7997	1,000	8301	1,000	8533	1,000
744	1,000	3310	1,000	5407	2,000	5817	1,000	6193	1,000	6566	1,000	6957	1,000	7319	1,000	7632	2,000	8000	1,000	8303	1,000	8536	1,000
784	2,000	3326	2,000	5416	1,000	5821	1,000	6196	1,000	6570	1,000	6964	1,000	7326	1,000	7637	1,000	8005	2,000	8308	1,000	8540	1,000
792	2,000	3406	1,000	5438	1,000	5825	2,000	6202	1,000	6573	3,000	6969	3,000	7332	1,000	7640	1,000	8009	1,000	8310	1,000	8544	2,000
816	1,000	3430	1,000	5465	1,000	5829	1,000	6207	1,000	6577	1,000	6974	2,000	7335	1,000	7643	1,000	8013	1,000	8312	1,000	8548	1,000
843	1,000	3435	2,000	5468	2,000	5833	1,000	6212	2,000	6580	1,000	6978	1,000	7340	1,000	7648	1,000	8020	1,000	8315	2,000	8551	1,000
880	2,000	3448	1,000	5473	1,000	5838	1,000	6217	1,000	6585	1,000	6982	1,000	7346	2,000	7722	1,000	8024	2,000	8319	1,000	8555	1,000
909	1,000	3455	1,000	5487	1,000	5844	2,000	6223	1,000	6588	1,000	6986	1,000	7349	1,000	7727	2,000	8030	1,000	8321	1,000	8557	2,000
940	1,000	3463	1,000	5517	1,000	5848	1,000	6227	1,000	6595	2,000	6991	2,000	7353	1,000	7735	4,000	8035	1,000	8322	4,000	8560	1,000
952	1,000	3469	1,000	5526	2,000	5852	3,000	6231	2,000	6599	4,000	6996	1,000	7356	1,000	7739	1,000	8040	1,000	8336	1,000	8566	1,000
963	3,000	3481	1,000	5534	4,000	5857	1,000	6237	1,000	6602	1,000	7003	1,000	7358	1,000	7743	1,000	8044	1,000	8338	1,000	8571	1,000
988	1,000	3541	1,000	5539	1,000	5861	1,000	6246	4,000	6606	1,000	7007	4,000	7366	1,000	7747	1,000	8050	2,000	8339	1,000	8574	2,000
1080	1,000	3558	1,000	5544	1,000	5866	1,000	6249	1,000	6612	1,000	7014	1,000	7369	4,000	7752	4,000	8055	2,000	8340	2,000	8578	1,000
1111	1,000	3574	1,000	5575	1,000	5870	2,000	6257	1,000	6617	2,000	7020	1,000	7373	2,000	7757	1,000	8060	1,000	8345	1,000	8580	1,000
1115	2,000	3604	2,000	5579	1,000	5873	1,000	6260	2,000	6622	1,000	7027	1,000	7377	1,000	7763	2,000	8064	1,000	8346	1,000	8582	1,000
1153	1,000	3627	1,000	5585	2,000	5877	4,000	6264	1,000	6628	1,000	7038	2,000	7381	1,000	7767	1,000	8068	2,000	8348	2,000	8588	1,000
1168	1,000	3658	3,000	5590	1,000	5881	1,000	6270	1,000	6634	1,000	7061	1,000	7384	3,000	7773	1,000	8072	1,000	8352	1,000	8591	4,000
1194	1,000	3686	1,000	5593	1,000	5886	1,000	6350	1,000	6653	2,000	7077	1,000	7391	1,000	7777	1,000	8077	1,000	8356	1,000	8596	1,000
1214	1,000	3711	1,000	5599	2,000	5893	2,000	6353	8,000	6657	1,000	7089	1,000	7396	1,000	7780	2,000	8081	1,000	8362	1,000	8601	2,000
1239	2,000	3762	2,000	5602	1,000	5897	1,000	6360	1,000	6679	1,000	7108	1,000	7400	2,000	7785	1,000	8086	1,000	8364	2,000	8604	1,000
1257	1,000	3768	1,000	5611	1,000	5900	1,000	6364	1,000	6709	4,000	7117	1,000	7406	1,000	7791	1,000	8091	1,000	8366	3,000	8608	1,000
1280	1,000	3785	1,000	5614	1,000	5904	2,000	6368	2,000	6723	1,000	7127	2,000	7410	1,000	7795	1,000	8095	1,000	8370	1,000	8617	1,000
1302	3,000	3803	1,000	5617	3,000	5909	1,000	6373	1,000	6729	1,000	7133	3,000	7413	1,000	7798	1,000	8100	1,000	8377	1,000	8626	1,000
1380	1,000	3834	2,000	5618	1,000	5913	1,000	6380	1,000	6740	1,000	7144	1,000	7418	1,000	7805	5,000	8106	1,000	8383	1,000	8631	2,000
1418	1,000	3864	1,000	5623	1,000	5922	1,000	6385	1,000	6752	2,000	7131	2,000	7425	2,000	7810	1,000	8109	2,000	8385	1,000	8634	1,000
1426	1,000	3878	4,000	5624	1,000	5927	1,000	6389	1,000	6761	1,000	7155	1,000	7429	1,000	7814	2,000	8114	1,000	8388	2,000	8647	1,000
1441	2,000	3928	1,000	5630	1,000	5933	2,000	6394	1,000	6769	1,000	7158	1,000	7430	1,000	7818	1,000	8152	1,000	8392	2,000	8651	2,000
1451	1,000	3969	1,000	5638	2,000	5940	1,000	6400	2,000	6775	1,000	7162	1,000	7432	2,000	7823	1,000	8157	1,000	8394	1,000	8656	1,000
1521	1,000	4042	1,000	5642	1,000	5946	1,000	6401	1,000	6784	2,000	7164	4,000	7434	1,000	7828	1,000	8161	2,000	8397	1,000	8658	4,000
1540	1,000	4172	2,000	5646	5,000	5952	8,000	6407	1,000	6798	1,000	7167	1,000	7439	1,000	7833	2,000	8165	1,000	8401	1,000	8660	1,000
1616	1,000	4333	1,000	5653	1,000	5960	8,000	6412	1,000	6804	1,000	7172	1,000	7449	2,000	7837	3,000	8168	1,000	8405	3,000	8663	1,000
1644	3,000	4350	1,000	5659	1,000	5965	1,000	6416	1,000	6808	3,000	7175	1,000	7455	1,000	7842	1,000	8172	4,000	8407	1,000	8671	2,000
1661	1,000	4576	3,000	5664	2,000	5972	1,000	6423	2,000	6815	1,000	7179	2,000	7461	1,000	7846	1,000	8180	1,000	8409	2,000	8674	1,000
1688	1,000	4603	1,000	5671	1,000	5979	1,000	6426	1,000	6822	1,000	7182	1,000	7465	4,000	7849	1,000	8183	1,000	8444	1,000	8680	1,000
1705	1,000	4707	1,000	5674	1,000	5985	1,000	6430	1,000	6834	1,000	7186	8,000	7469	1,000	7854	1,000	8186	2,000	8446	1,000	8683	1,000
1802	1,000	4766	1,000	5677	3,000	5992	2,000	6434	1,000	6844	2,000	7181	1,000	7472	1,000	7858	2,000	8181	1,000	8449	1,000	8684	2,000
1823	2,000	4768	2,000	5686	1,000	5999	1,000	6437	1,000	6847	1,000	7194	1,000	7479	2,000	7864	1,000	8196	3,000	8451	1,000	8702	8,000
1894	1,000	4779	2,000	5689	1,000	6011	1,000	6442	2,000	6851	1,000	7197	1,000	7483	1,000	7871	1,000	8198	1,000	8457	5,000	8704	1,000
1909	1,000	4878	1,000	5692	2,000	6017	2,000	6446	1,000	6854	1,000	7200	2,000	7488	1,000	7874	1,000	8201	1,000	8459	2,000	8706	1,000
1958	2,000	4884	1,000	5697	1,000	6028	1,000	6451	1,000	6860	4,000	7206	1,000	7492	1,000	7877	2,000	8205	2,000	8462	1,000	8708	1,000
1983	1,000	4887	1,000	5700	1,000	6041	1,000	6457	1,000	6863	1,000	7208	1,000	7486	2,000	7882	3,000	8207	1,000	8467	1,000	8710	1,000
2038	1,000	4891	1,000	5702	2,000	6052	1,000	6461	1,000	6867	1,000	7211	3,000	7508	1,000	7887	1,000	8211	1,000	8472	1,000	8711	1,000
2337	4,000	4894	2,000	5710	1,000	6061	2,000	6467	2,000	6872	1,000	7215	1,000	7512	1,000	7890	1,000	8214	1,000	8474	2,000	8714	2,000
2378	1,000	4906	1,000	5716	1,000	6072	1,000	6471	4,000	6875	2,000	7217	2,000	7518	8,000	7895	1,000	8217	4,000	8477	1,000		
2436	1,000	4921	1,000	5721	2,000	6082	1,000	6475	1,000	6878	1,000	7220	1,000	7521	1,000	7899	2,000	8223	1,000	8481	1,000		

Loan Notes in the principal amount of $100,000 bearing the prefix C and the principal amount to be redeemed.

Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed	Serial Numbers	Amount Redeemed
1548	$6,000	1553	$4,000	1558	$4,000	1563	$2,000	1568	$5,000	1573	$3,000	1578	$5,000	1583	$4,000	1588	$5,000	1593	$8,000	1598	$4,000
1549	2,000	1554	4,000	1559	1,000	1564	5,000	1569	4,000	1574	4,000	1579	4,000	1584	8,000	1589	5,000	1594	5,000	1599	6,000
1550	4,000	1555	8,000	1560	5,000	1565	5,000	1570	5,000	1575	3,000	1580	4,000	1585	5,000	1590	4,000	1595	4,000	1600	4,000
1551	3,000	1556	5,000	1561	6,000	1566	5,000	1571	4,000	1576	5,000	1581	2,000	1586	3,000	1591	6,000	1596	4,000	1601	5,000
1552	5,000	1557	2,000	1562	4,000	1567	4,000	1572	5,000	1577	4,000	1582	6,000	1587	4,000	1592	4,000	1597	5,000		

Loan Notes in the principal amount of $500,000 bearing the prefix D and the principal amount to be redeemed.

Serial Number	Amount Redeemed	Serial Number	Amount Redeemed	Serial Number	Amount Redeemed	Serial Number	Amount Redeemed	Serial Number	Amount Redeemed	Serial Number	Amount Redeemed	Serial Number	Amount Redeemed	Serial Number	Amount Redeemed	Serial Number	Amount Redeemed	Serial Number	Amount Redeemed	Serial Number	Amount Redeemed	Serial Number	Amount Redeemed
210	$20,000	211	$20,000	212	$19,000	213	$20,000	214	$25,000	215	$20,000	216	$20,000	217	$20,000	218	$15,000	219	$21,000	220	$20,000	221	$20,000

Accordingly, on May 31, 1977 the Loan Notes or portions thereof so designated for redemption will become and be due and payable at one-hundred percent (100%) of the principal amount thereof in United States dollars, at the option of the holder, either (a) at the corporate trust office of Bankers Trust Company, New York, New York 10006 or (b) subject to any applicable laws or regulations in the country where each of the following offices is located, at the City Office of Bankers Trust Company in London, at the office of S. G. Warburg & Co. Limited in London, or at the main offices of Banque Internationale à Luxembourg and Banque de Suez, Luxembourg in Luxembourg-Ville.

The redeemed Loan Notes (with the exception of the Loan Notes set forth in the following paragraphs) should be presented with all coupons maturing after May 31, 1977. Coupons maturing on May 31, 1977 and prior thereto should be detached and surrendered for payment in the usual manner. From and after May 31, 1977, interest on redeemed Loan Notes or portions thereof to be redeemed will cease to accrue.

A certain Loan Note which was called for redemption on May 31, 1974 has not been presented for payment. Loan Note number M3669 was called in whole. The Loan Note in this paragraph should be presented with all coupons maturing after May 31, 1974.

Certain Loan Notes which were called for redemption in whole or in part on May 28, 1976 have not been presented for payment. Loan Notes numbers M579, M1860, M3558, M3561, M10801, M17438, M27859, M34549 and M54180 were called in whole. The following Loan Notes in the principal amount of $10,000 bearing the prefix X were called in part:

Serial Number	Amount Redeemed	Serial Number	Amount Redeemed	Serial Number	Amount Redeemed	Serial Number	Amount Redeemed	Serial Number	Amount Redeemed	Serial Number	Amount Redeemed	Serial Number	Amount Redeemed	Serial Number	Amount Redeemed	Serial Number	Amount Redeemed	Serial Number	Amount Redeemed	Serial Number	Amount Redeemed	Serial Number	Amount Redeemed	Serial Number	Amount Redeemed
400	$8,000	424	$2,000	873	$1,000	1403	$1,000	1927	$2,000	2510	$1,000	5435	$1,000	5443	$1,000	8360	$1,000	8466	$1,000	8468	$1,000	8470	$1,000	8471	$1,000

Loan Notes in the principal amount of $100,000 numbers C1533 was called for $6,000 and C1534 was called for $9,000.

Loan Notes in this paragraph should be presented with all coupons maturing after May 28, 1976.

The holder of any Loan Note which is redeemed in part only upon surrender thereof as above provided shall obtain in exchange for the unredeemed portion thereof at no additional cost an equal aggregate principal amount of Loan Notes of authorized denominations.

BANKERS TRUST COMPANY
Fiscal Agent

Dated: April 29, 1977

Dr. Kissinger is to be given the Humanitarian Award for 1976 of Variety Clubs International in Monaco tonight. Previous holders include Sir Winston Churchill.

Diplomacy learnt the hard way

BY MALCOLM RUTHERFORD

THE greatest tribute one can pay to Dr. Henry Kissinger is that the world which President Jimmy Carter has inherited is ripe for a period of creative diplomacy of a kind which Dr. Kissinger always craved, but never quite achieved. For it is one of the ironies of the former Secretary of State that, by his own standards, he was a failure. Only at the end, when he had learned from his earlier mistakes, did he succeed in constructing a framework for policy-making.

Dr. Kissinger took office as head of the National Security Council in 1969 as a critic of the bureaucracy, an expert in nuclear strategy and a man with a reputation for taking a global approach to international affairs. In all these areas it is arguable that he was less than successful. When he took on the additional hat of Secretary of State in 1973, the U.S. foreign policy-making bureaucracy did not function noticeably better than under his predecessors. Indeed there were times when he was in public confrontation with the Treasury—for example, at the United Nations seventh special session on development—and with the Department of Defense on strategic arms limitation. In each case it became very difficult to know what U.S. policy was.

Nor was the aim of global diplomacy always put into practice, either in its strict geographical sense or in the wider sense of taking factors other than political and military into account. Dr. Kissinger was frequently surprised by events or turned his attention to certain parts of the world too late. Cyprus, the Middle East and Southern Africa are all examples. It was only in his later years that he acknowledged the importance of economics both in relations between North and South and between the industrial democracies.

Not least, the image of Dr. Kissinger as a cold intellectual is wrong. He could be both emotional and irrational. He showed his emotions when he suddenly called a Press conference in Salzburg in the summer of 1974 to threaten resignation if he were not cleared of certain wiretapping allegations. His irrationality was most apparent in his rhetorical remark, directed at the then Secretary of Defence, Dr. James Schlesinger: "What in the name of God is strategic superiority?" In fact, strategic superiority has a very precise meaning. It means having sufficient power to launch a first strike nuclear attack which would deprive the enemy of the ability to produce an adequate response, or at least to be able to threaten to do so. That is exactly what many defence specialists believe the Soviet Union is now aiming for.

Watergate

Dr. Kissinger's period of office fell into two parts, and not only because of Watergate which brought about first the weakening, and then the end, of the Nixon Administration. The first was creative, but was concerned primarily with relations with adversaries: Vietnam, China and the Soviet Union. The second was in many ways an attempt to repair relations with allies, to restore order in parts of the world which had been neglected, and to take account of the economic factors which had been ignored.

The first phase included the opening to Peking, done in such a way so as not to alienate Moscow, and the first strategic arms limitation agreement with the Russians (SALT I). Coinciding with the emergence of Chancellor Willy Brandt in West Germany, it also brought the West German treaties with Moscow and Warsaw, which themselves ended a whole post-war chapter, and the four power agreement on Berlin—perhaps the biggest single achievement of detente to date. It laid the foundations too for the European Security Conference and the Helsinki Agreement of the summer of 1975 and the East-West talks on mutual and balanced force reduction (MBFR) in Central Europe. If there was no grand design beyond a general desire for a relaxation of tension, there was certainly a policy of movement.

The other great issue of the time, however, was that of Vietnam, which it took Dr. Kissinger more than four years to settle on terms ultimately not much different from those demanded by the North Vietnamese all along. The agreement had collapsed, and Saigon fallen, within less than two years of its being signed. What is more, the negotiations involved the U.S. in a stepping-up of the war, notably in Cambodia, which can in no way be justified by events. Dr. Kissinger, as the principal negotiator, consistently underestimated the North Vietnamese while over-estimating his own ability to persuade them to compromise.

Yet even if Vietnam is overlooked, the world was not as simple as detente diplomacy made it seem. America's relations with its allies deteriorated as its understanding with its adversaries increased. There was, for example, the shock effect of the Sino-U.S. rapprochement in Japan, and even West Germany became fearful when the U.S. signed the treaty on the prevention of nuclear war with the Soviet Union. Even more, there was the effect on the allies of the U.S. efforts to defend the dollar—the devaluation and the unilaterally imposed import surcharge. At no stage did it seem to occur to the Administration that what the U.S. was doing in the economic field could undermine what it was doing in the diplomatic.

The cumulative damage to U.S.-European and U.S.-Japanese relations was such that the U.S. Administration was obliged to take notice. By early 1973, just after President Nixon had been re-elected, all the talk was of consultation and co-operation. It was the beginning of part two of the Kissinger period. Dr. Kissinger himself spoke of "the year of Europe" and called for a new Atlantic Charter which would recognise the interdependence, economic as well as strategic, between the U.S., Western Europe and Japan. It is one of the ironies of that speech that although it was not well received at the time, the broad theme of the need for close co-operation between the industrial democracies was later to become the conventional wisdom. This was apparent in the economic summit meetings held at Rambouillet and Puerto Rico as well as in the much closer consultation established in such bodies at NATO and the OECD.

At the time, however, the suspicions were deep and there was worse to come. The worst it was never quite clear where was the Middle East war of October, 1973, which not only caught Dr. Kissinger completely by surprise, but again seriously divided the allies both in their judgments as to how far the Israelis should be helped, and in their reactions to the Arab oil embargo. Yet if the war and the embargo represented one of the lowest ever points in America's relations with Japan and Western Europe, they were also arguably the beginning of the recovery. Certainly it led to a more mature understanding of potential sources of conflict.

There were three basic reasons for this: In the first place, the October war showed beyond doubt the inherent instability of the Middle East and the danger that this could lead to a superpower confrontation. It became imperative that the causes of the instability should be removed, or at least reduced. Secondly, the war showed the limitations of a détente diplomacy confined to Central Europe and strategic arms. None of the things that had been done in the way of a U.S.-Soviet accommodation prevented the Russians from stepping up arms supplies to the Arab states, and without those supplies the war could not have taken place. Thirdly, there was the demonstration of the dependence of the industrialised countries on imported raw materials. In this case it was oil—the easiest and perhaps the only one on which Third World producers could form an effective cartel, but it was more than sufficient to bring home the realisation that global diplomacy meant more than East-West relations.

Spasmodic

Much of what followed was an attempt to put these lessons into practice, and again much of it was unsuccessful or at best spasmodic. But what was new was a greater understanding of the problems and a framework in which they could be approached. In the Middle East it was the majority of the Arab states themselves which acknowledged the power of the U.S. Having lost the October war with Soviet weapons on their side, they turned to the U.S. to produce a settlement.

Dr. Kissinger responded with his step-by-step diplomacy. It was never quite clear where this was intended to lead. There was no noticeable recognition that it was the lack of a home for the Palestinians that was at the heart of the matter, and the diplomacy petered out after the Syrians declined to reach a second stage disengagement agreement in the Golan Heights.

It is much the same in the North-South dialogue, which is itself another consequence of the October war. Dr. Kissinger may have recognised the possibilities, indeed the need to do anything at all, too late, but he did seek to offer the third world something of what it was asking both at the UN seventh special session and then at the UNCTAD meeting in Nairobi last year. The effort foundered partly because he had not cleared his lines with the rest of the U.S. Administration, and partly because the U.S., Japan and the European Community had not agreed among themselves.

Even on the question of strategic arms, it may be argued that the situation has recently changed for the better, in the sense that there is now a greater awareness of Soviet military power and of the need to balance it. Most of this is the Russians' own doing. If they had not projected their navy into the world's oceans, if they had not intervened in Angola, if they had not continued to expand and improve their nuclear forces at such a rapid rate, it would be much harder for a new U.S. Administration even to court the risk of failing to reach a second SALT agreement. By now, however, it is probably the considered view that a bad, or even ambiguous, agreement is worse than none.

In his last year or so of office, while admitting how much might be attainable by a new administration and indeed predicting a new period of creativity, Dr. Kissinger was said to be filled with pessimism. There perhaps was the greatest irony of all. Dr. Kissinger believed not that the Russians were all-powerful, but that the U.S. might in the end lose its will for global diplomacy in a world where the issues were neither wholly black nor wholly white. In the long run, he may of course be right; but in the shorter run it was perhaps again the triumph of the emotional over the rational.

FINANCIAL TIMES SURVEY

Friday April 29 1977

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Calculators

After a period of unprecedented growth, calculator sales now reach a peak during the pre-Christmas period and at the start of the new school year. This has caused problems for retailers and for manufacturers—whose numbers continue to shrink.

Shift in sales pattern

By Ted Schoeters

AFTER FIVE years of explosive growth, the market for calculators is approaching maturity, in the view of John Macdonald, managing director of the U.K. branch of a company—Casio—which has made giant strides in Britain and Europe during the last four to five years.

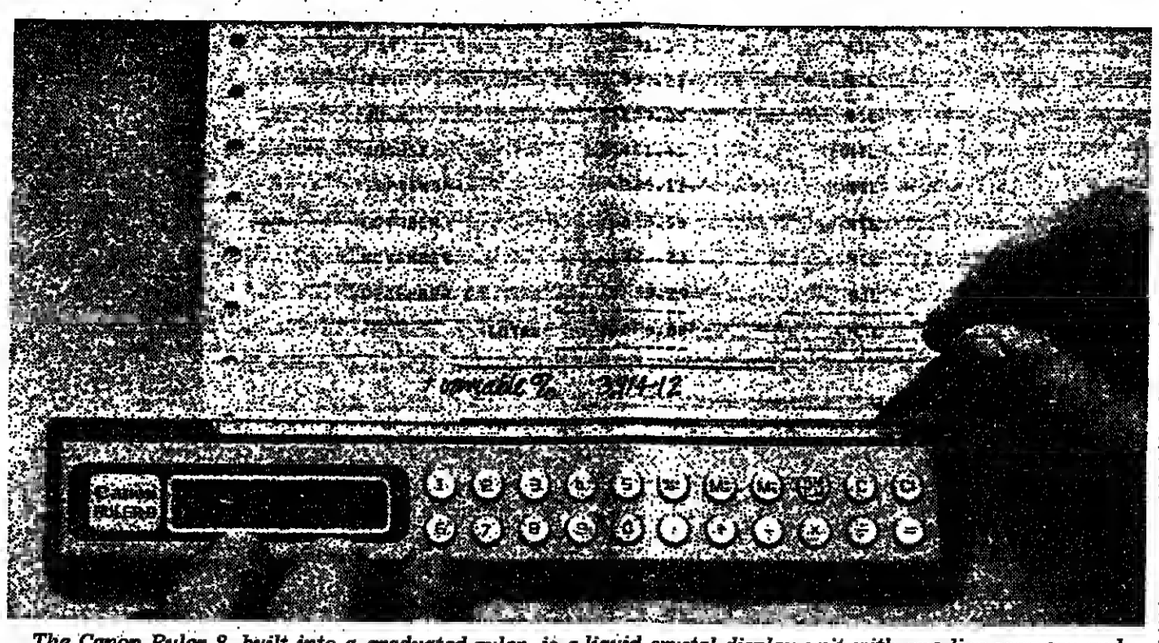
One of the signs of this maturity is the appearance of a seasonal pattern in sales with some 25 per cent. of the year's business done in the first quarter, 15 per cent. in the second, 20 per cent. in the third and as much as 40 per cent. in the fourth, covering the start of the school year and the Christmas period. This pattern is emerging from what previously was a steady month-by-month advance which has produced for the industry in general a growth in output estimated at about 30 per cent. compounded over the last seven years—an unprecedented development, matched only by the digital watch phenomenon and the expansion of that sector of the electronics industry supporting both calculators and watches.

With the appearance of seasonal swings there are indications that the market is also stabilising and total production on a world basis for 1977, it is anticipated, may lie somewhere between 70m. and 75m. units of which 85 per cent. will be so-called consumer hand-held calculators of comparatively low cost and the remainder the more powerful and versatile desk top/printing specialist machines which can go up in price to over £4,000 and more.

Output is not expected to rise more than 10 per cent. over the 1976 figure of 65m./68m. of which 20m. went to Europe, including between 4.3m. and 5m. delivered in Britain. Some sources quarrel with these figures which are for deliveries, and say they are too generous by about 30 per cent.

There may, of course, be violent fluctuations locally for one reason or another as, for instance, the three-month boomlet in Britain last year which began in mid-August and appeared to have no special cause other than that of spending pounds while they are still worth something.

Most of those makers whose research/development and marketing costs pushed them into the red in 1975-76—and they included such prestigious names as Hewlett-Packard and Texas Instruments (in their calculator business) are back in the black again. At the same time, the casualties from the calculator arena appear to be surviving quite happily; Sinclair under the wing of the National Enterprise Board and NRDC, and Bowmar as a supplier of calculator parts and devices for the avionics and motor car industries world-wide, now that it has been released from the requirements of Chapter XI, the U.S. regulations which help companies in commercial straits to recover subject to certain conditions.



The Canon Ruler 8, built into a graduated ruler, is a liquid crystal display unit with one live memory and a capacity of eight digits.

Sinclair expects a great deal from the programmable scientific machine which it has designed around a proprietory microcomputer and proposes to market vigorously in Europe (40 per cent.) and the U.S. Clive Sinclair at its recent launch quoted "six figure" production targets for the unit which should help to consolidate the company's hold on the lower end of the scientific market where its major competitor appears to be Casio.

Sinclair indicates that he will be bringing out a small low-price calculator in June which will be a general purpose unit and that on the cards for September is a "type of desk-top machine." But because of the company's expertise with large-scale circuits there is nothing to stop its engineers from going into the development of micro-based equipment remote in application from calculators and computing, whenever an interesting outlet can be found. There will be a number of new instruments, also based on LSI technology.

Exactly where the company stands in the U.K. market is hard to determine now that Casio and CBM are neck and neck for first place and TI is in third place but at some considerable distance.

This ranking included Rockwell as number four, but this is obviously bound to change with the Rockwell decision announced last month to concentrate on desk-top calculators and continue selling portables only until stocks run out.

The Rockwell move is attributed by some market observers to the collapse of the Japanese manufacturing company Systek with $34m. of debts. Supplier of many low-priced machines to Rockwell and others, Systek had been suffering from the increasingly severe competition of the Hong Kong and Taiwanese assemblers and is now under the Japanese law similar to the U.S. Chapter XI.

Debts

Casio claims the number one position in Japan, number two in the U.S. and number one or two, give or take a few machines, in Europe. No one yet seems to have followed the jewelry trend set by Sinclair with its Sovereign slim-line calculator, a venture which Clive Sinclair identifies as being remarkably successful.

Agreeing that users have become much more sophisticated and discriminating, he makes the point that the advantage of very low-cost production enjoyed for a number of years by offshore operations is rapidly being whittled away. One reason is that local wages are rising fast—in Japan production costs are at U.S. levels or thereabouts and in Hong Kong they are approaching the levels of certain areas of Europe.

At the same time, the technology of the devices used to drive the calculators is improving so quickly that it is now much easier and quicker to make a multi-function calculator than hitherto, so low wages have less influence.

CBM—the U.K. biggest manufacturer—has pursued the plans its U.S. parent laid down in 1976 to secure a broad capability to manufacture components in its own plants and has acquired MOS Technology and Optical Diodes as major development and supply centres. This does not preclude CBM from buying displays or drivers from other companies when an advantageous bargain can be struck.

Meanwhile, waiving by the U.K. of EEC proposed regulations which would have brought onerous import duties on the displays imported and used at Eaglescliffe has left the latter plant as a major world manufacturing centre for CBM and, so far as can be judged, this situation will continue.

All manufacturers appear to be planning new launches between now and the anticipated autumn boom, Casio as many as 20 new models, though how many will have undergone purely cosmetic changes demanded by users is hard to

CONTINUED ON PAGE III

New sophistication for the user

THE MOVE by Sinclair Radionics last week in bringing a hand-held programmable on to the market for £15.95 plus VAT (and an extra £4.95 for the 400-programs package) could have a dramatic impact on the calculator market.

For while we have been accustomed to rapidly falling calculator prices, it is only now that programmables have come into the price range of ordinary consumers. The Sinclair model is about 75 per cent. cheaper than anything else of its type on the market and, even though it might not have the full storage and programming capacity of some of the competitive models, it is likely to help expand this sector of the market, with new users adopting the new sophistication.

Although it looks similar to the other Sinclair calculators, the new model can be given a program of up to 35 steps which will be retained in its memory. One probable market is in schools and colleges where students will be able to learn basic programming skills. Students have been one of the fastest growing sectors for less sophisticated machines and further stimulus was given when the Joint Matriculation Board allowed students to take calculators into examinations.

Naturally the biggest demand will come from scientists and engineers who have been using programs in their normal daily work. But the time may well come when financial people adopt these kinds of tools to a much greater extent than at present. The main reason this sector of the market has lagged is that whereas engineers are accustomed to the benefits of the slide rule (and have transferred to the calculator with ease), most people who work with figures in the financial world have traditionally worked with books and figures. Hence their immediate requirements have not encouraged them to transfer to the electronic medium.

But this could begin to change as financial calculations become more complicated and as speed becomes essential. The manufacturers are trying to develop this market by bringing specialised calculators on to the market.

Commodore Business Machines (CBM), for example, has had some success with its 14-digit rechargeable financial calculator. It can considerably simplify all per cent. calculations and compound interest work, mortgage and effective yield calculations, amortisation, present and future value and effective rates. Therefore it is an ideal tool for accountants, bankers, insurance salesmen and brokers as well as financial analysts and is the kind of machine that is increasingly seen either in the briefcase or at home. More and more people are taking this type of calculator home with them, to figure out their personal finances.

CBM, which is the biggest manufacturer of calculators in the U.K., also has a range of specialised calculators for other professionals. Apart from its financial model, there are models for mathematicians or statisticians or even navigators. Because these are pre-programmed, the operation is easier. The normal price is around £80 for each model. CBM also has a fully programmable (capacity up to 72 steps) for just under £50 but has found that to date few people have bought this, mainly because it is outside the scope of daily application and few potential buyers realise what can be done on this type of calculator.

Competitors

How quickly other manufacturers will be able to catch up with Sinclair in getting a cheap programmable on the market is a moot point. According to Mr. Clive Sinclair, managing director of Sinclair Radionics, competitors might not be able to imitate the design quickly because of the complexity of the circuit. Certainly his hopes for the new model are high—he reckons production could be six figures by the end of the year. A significant proportion could be in exports and perhaps as high as 60 per cent. of total output will be for the U.S. market, with the rest being sold in the U.K. and the rest of Europe.

The group's well-advertised Sovereign models have created a good name for Sinclair and brought calculators into the top bracket market, for some of these models are sold in jewellery shops around the world. The gold-plated model sells for £60 and the chrome-plated one for half that. These were launched last Autumn and have been very well received. The company has now followed that up with a silver-plated model that sells for £40 with the Jubilee emblem and £35 without the emblem.

Although these models are creating a new niche in the market, the company's best seller is still the basic Cambridge Scientific that sells at just under £10. The Oxford Scientific is a little more expensive but is slightly larger and has a green display, which is generally preferred. It has sine, cos, tan, reciprocals, square roots, logs, and other basic trigonometrical and logarithmic functions.

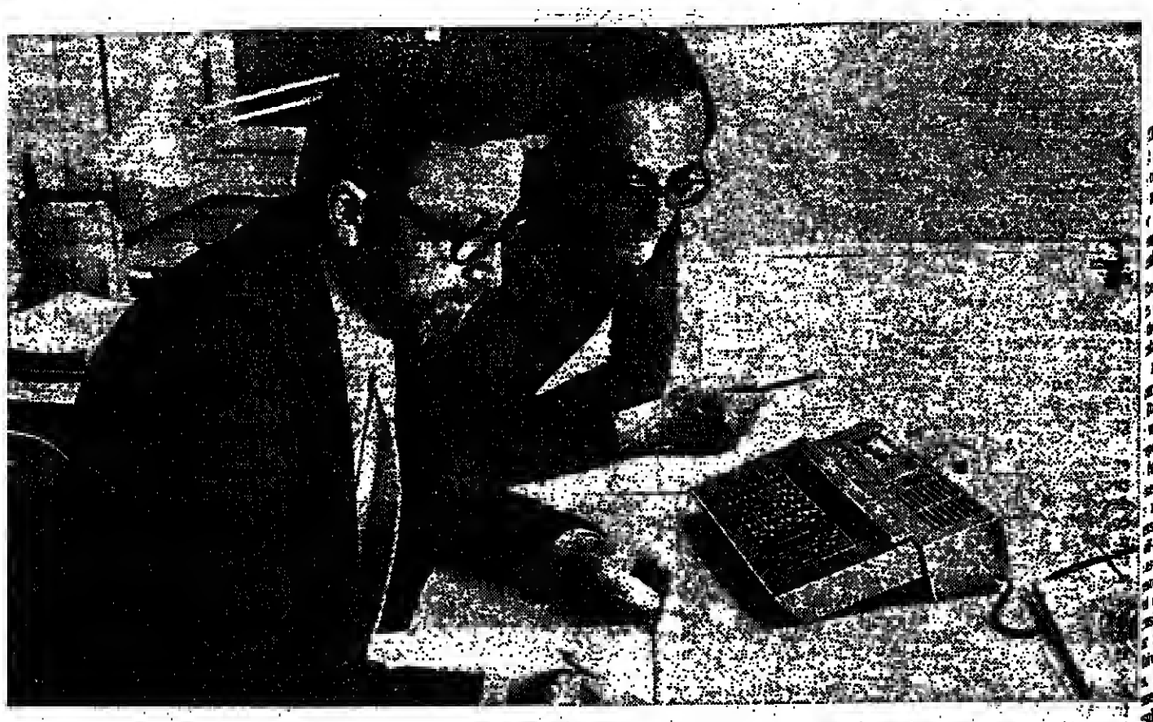
One of the newer developments that is only beginning to make an impact on the market is the use of liquid crystal. Many of the Japanese brands such as Sharp do already carry this feature. The advantage of liquid crystal is that it requires less power and therefore the batteries can last very much longer. It can eliminate the need for recharging of batteries. The life varies a great deal and naturally the longer the life expectancy, the higher the price. There are not yet many machines on the market that can offer a life expectancy of up to 3,000 hours (against an average usage of around 3 hours a week). The shorter life machines can be bought for around the £10 level but prices can go as high as double that for between 1,200 and 3,000 hours.

Sumlock Anita currently has a prototype which it is testing. It has a large black on green display and is only 6mm thick. It is most efficient in sunlight since it is hardly affected by the blaze, unlike most machines. It also has a solid aluminium casing that adds to its general appearance as well as reliability. It is this type of calculator that is arousing a lot of interest at this year's Hanover Fair. Calculators not only have longer life expectancies but also are becoming slimmer and easier to carry in the pocket. But despite their slimness, they are still getting more and more power for the same cost and the day is not far off when even the slimmest machines will have the kind of programming capability seen with bigger machines. Sinclair is well on the road towards achieving that.

Overall, the market is still growing apace, even though prices have almost certainly bottomed out. Instead of getting lower prices consumers will be getting more power and better made machines for the same price.

The U.K. market is still expected to show substantial growth this year and is far from saturation, according to some leaders in the industry. It is estimated that the number of calculators sold in the U.K. will rise from about 4.8m. units in 1976 to around 5½m. units. And that means a retail market of around £60m. More and more of these machines are scientific calculators and there is an increasing market for programmables. Even if Sinclair has a lead in the technology, the day cannot be far off when competitors enter the market at the same sort of prices.

Roy Levine



The Olivetti Logos 75B calculator with pre-programmed routines for the business user.

Customers become more demanding

WHEN ELECTRONIC calculators first came on to the market they were a novelty and users were not quite sure what to expect of them. Brand names were not known and even some of the biggest electronic companies had to spend a great deal of money in getting their names in the public consciousness, because for many companies this was their first foray into the consumer market as opposed to the sophisticated industrial market.

Then as prices began to tumble thanks to rapid technology changes and mass production, consumers chased after the cheapest models on the market. Buyers were not discerning about quality or reputation, but only wanted the newest product at the new, low price.

But the market is now beginning to mature and both manufacturers and retailers are having to change their attitudes in order to please an increasingly more discerning public.

Having lived with electronic calculators for a number of years (some on a day-to-day basis), users are beginning to learn what is a good product and which names can be relied on. Users are also learning the difference between the different grades and types of machines and thus can match their specific needs with the right kind of product.

Reliability

Manufacturers can no longer just ha satisfied with putting a product on the market at the right price. Calculators must now have minimum quality standards and a degree of reliability that was not common even two years ago. As a result, many manufacturers have changed their quality control procedures, which have become much more involved. In the long run this will benefit them, too, since the low margins on calculators at the bottom end of the price range does not allow them to handle rejects and make a profit.

At Britain's largest manufacturer, for example, the problem has been dealt with in two ways. Commodore Business Machines (CBM) has installed rigid quality control procedures both on the parts its imports and on its own assembly operation.

About 4 per cent. of critical components such as the chips are tested according to prescribed standards. Similar random sample checks are made on other parts, although only about 1 per cent. of these are tested. All assembled products at the end of the production line are tested intensively.

Overall, CBM's experience with rejects has been in line with the general trend for the U.K. About 2 per cent. of the products sold is returned by the users, although this figure can go as high as 10 per cent. for specific batches that have not come up to standard. A rate of return in double figures virtually takes all the profit from the manufacturer whose product may only be selling at £5 to £10 in the shops. So, given the increasing tendency for the public to return sub-standard machines, quality has become a priority matter. It is a sign of a maturing of the market that reputation for reliability is one of the most crucial factors in determining brand loyalty.

Britain's other main manufacturer, Sinclair Radionics, is similarly obsessed about quality control. But it was not always an obsession. Part of its success in its early days was its procedure of sub-contracting a lot of the work in assembling calculators. This helped to spread the labour costs and control production in a fast moving market. But the penalty for that was lack of adequate control by management over quality of imported parts, as much over the actual assembly operation.

Now all that has changed. Sinclair has tackled the problem in four ways. Firstly, it has taken the full assembly operation into its own premises—the whole operation is now done by itself. As a result control over quality standards is more rigid. The company has hired its own skilled operators to sample test the production process as well as parts acquired from other manufacturers.

Secondly, it has built up its own quality control department. The company now freely admits that it was slack in this regard until about six months ago when it found the cash required to buy the sophisticated equipment needed to test calculators under varying conditions and stress. Thus machines are now tested under extreme temperatures and humidity, as well as how they react under intense vibration and so on. The company now feels more secure about its one year warranty period (double for its Sovereign products).

Thirdly, Sinclair has applied rigorous standards when changing from one parts supplier to another, whereas before it was random and not controlled. Changing suppliers can frequently happen in an industry that has been maturing as rapidly as the LSI chip industry over the past several years. As a result, the company completes an approval document on any potential supplier.

Advances

Finally, there have been several design changes to make the products more reliable. Reduction of the number of moving parts has obviously helped and this has occurred not only because of recent advances in technology but also because of the way that Sinclar designs its new products. The keyboard and the casings have also been changed and with the result that Sinclair now reckons it has a more solid product.

Of course, not all calculator companies have complete freedom to control quality. At Triumph Adler, for example (the German office equipment giant controlled by Litton Industries in the U.S.) calculators are made by a Japanese manufacturer and sold under the T-A brand name (and more recently under the Imperial name, too).

Until quite recently, calculators were made by Systek, but this group had financial troubles and Triumph Adler switched to Abana. Apart from expected teething troubles with new models (and this happens to all manufacturers in the industry) the company has had little trouble with quality control. But because of its relationship as a contractor rather than own manufacture, it does not have the same degree of control. This can sometimes be a critical disadvantage—in the case of Triumph-Adler it has not been.

It is not only the manufacturers that have been instrumental in raising the quality standards of calculators. Retailers have formed close relationships with the producers and have often insisted on proper quality control because their own reputations are at stake.

But because rejects are normally replaced immediately by the retailer who in turn gets a replacement from the manufacturer, it is the producer who bears the biggest sacrifice for low standards.

Roy Levine

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Growing interest in European production

AFTER YEARS of seeing South East Asia as the workhouse of the consumer electronics industry, a strange change is coming over the thinking patterns among the major semi-conductor manufacturing companies.

They are beginning to see parts of Europe as cheap areas for the labour intensive task of calculator assembly. In particular, relatively cheap female labour exists in Spain, in Portugal, Italy—and the U.K.

It would be unwise to draw extrapolation lines too far into the future, and forecast the decline of the East as labour costs rise there. Calculator makers—like other operators in the off-shore assembly business, such as electronic watch makers, computer makers, and integrated circuit makers, may talk anxiously about more organised labour in Singapore, spreading to Taiwan, Hong Kong, then Korea, and Thailand; but the increase in labour costs which is resulting is still only marginal.

But there are areas in the calculator market where these margins become important.

Factors include production technology, currency slippage in certain parts of Europe, the size of labour pools, the educational levels required for quality control, the costs of air freight over charter over sea-and-air, and the time penalty of surface shipping, and finally, and perhaps most significant, where the market is.

Trend

Commodore, for example, is one of the top sellers of hand-held calculators in Europe—it is said to be the top seller in most European markets, in fact. But it comes a long way down the list in the U.S.

So it is no surprise to find that Commodore (CBM, in this industry of acronyms) is enthusiastic about European assembly.

Commodore diffuses its silicon in the U.S., since this operation is capital, rather than labour, intensive. This trend is likely to increase, as the equipment for producing semiconductor "wafers" becomes more sophisticated, since the equipment required to produce four-inch diameter wafers costs much more than the old two and three-inch diffusion machinery.

Like most other U.S. semiconductor companies, it ships the silicon slices to the Far East, for incorporation in dual-in-line (DIL) packages (DIPs).

And it flies these packages into the U.K. for assembly of the final calculators. The logic, as explained by Commodore executive Ian Jennings (previously with Texas Instruments) lies in the decision on where to assemble. This depends on what is being assembled, and the U.K., Portugal and Italy are gradually becoming more attractive.

This started off in Singapore, about 18 months ago, he considers, and as labour costs started upwards as the pool of workers was absorbed by electronics companies setting up. "Then it moved on to Taiwan, Hong Kong, and is now starting to show in South Korea, and Thailand—gradually prices go up, especially on the very important quality control staff pool."

The question at issue is: at what stage do you test your product?

The silicon chips that are cut out of the wafers have a "field" that ranges from as low as 5 per cent. for complex integrated circuits. These must obviously be tested exhaustively, since adding the labour cost to even a small number of faulty chips can obliterate a much larger sum than the profit margin on the finished device.

Once packaged into DIP format, more tests are needed, but the failure rate is much lower. It is at this point that a marginal decision must be made: is the quality of test that can be made in the Far East high enough to allow the company to build the finished product there?

Jennings describes the problem as one of bulk.

He said: "It is still cheaper to assemble, for example, watch modules—not complete watches—in the Far East. But calculators are bulky, and current air freight charges reflect a higher bulk penalty, rather than a weight penalty.

"And if there is any question that you are shipping an appreciable quantity of duds by air freight, your costs go out of control again. We prefer to select good chips here in the U.K., where qualified QC people are not so hard to find."

From the U.K., parts are air-freighted—but fully tested. "And the fact that we sell most of our production in Europe does make the decision to assemble them here more logical than if the bulk had to go elsewhere."

There is not altogether unanimous agreement with CBM's approach.

A Texas Instruments executive indicated that the company's assembly of calculators in Italy reflected its European sales only. This opinion is shared by the rest of Texas' competitors—but they don't share Texas' view that the operation is consequently profitable. They point to the "adverse profit impact" of calculator operations for Texas, and to its slip from number one position two years ago, as indication of the fact that the giant has got some of its sums wrong.

If TI has got sums wrong, it is not alone. National Semiconductor is never prepared to allocate profit and loss to bits and pieces of its operations, but it is generally accepted that Novus, the original brand name for watches and calculators, has not proved a total success, and recent profit figures show that the company is only now recovering from errors of market judgment here.

Speculation

And even now the company is plagued by constant reports, speculation, and much publicised Wall Street advice, suggesting that it should, and will, pull out of calculators.

But it seems more likely that it is just changing its stance. One reason it cannot change its stance too positively and publicly (and therefore reassuringly) is that the company is waiting to see how the market changes—whether it is still climbing, or whether there are other areas for growth and the basic calculator market is now just at maintenance level sales.

An executive in Bedford cautiously indicated that "it looks as if Europe is getting cheaper—we are thinking of doing diffusion nearer Europe—in two or three years."

The company already does some industrial diffusion in Greenock, Scotland, on a hill looking down on the IBM factory there, and plans are to do more and more consumer diffusion there, too.

Shift

CONTINUED FROM PAGE 1

At the same time, while the usual comments tend to indicate that there are too many lines on sale, they are keen nevertheless to get a first glimpse of any new offerings coming along.

Enhanced

Hewlett-Packard spokesmen are reticent about new offerings but indications are that the silicon on sapphire (SOS) technology the company has spent several years and an estimated $20m. in perfecting will soon find its way into a series of products that will use the superior performance of large-scale integrated devices of SOS-type, either to give greatly enhanced facilities at costs comparable with the competition, or to maintain particularly satisfactory designs at the same performance level but with some price cutting made possible because of the better performance of the new devices.

One aspect of the industry few of the manufacturers are prepared to discuss is the question of market saturation. It is all very well to say that by 1980 every schoolchild will have a calculator. This sounds too much like wishful thinking and flies in the face of the trend to the new attitude to education typified by some recent remarks by the Prime Minister. This may well, in the next year or so, bring back the "Three Rs" as the basic tenet of the educationists.

No study of calculator life has been made in Britain. In the U.S., the figure is somewhere between four and five years. And if it is true that two out of three households in Britain have access to a calculator it may be that saturation is not far away. And those who use them frequently will find the 4/5 year life hard to believe. Major manufacturers challenged on this point assert that the figure is reasonable and borne out in practice.

There remains, then, impulse buying, and the activities of a sector of the user community called the "Calcaholics" who are prepared to spend a great deal on new offerings as they are released by the makers, in what must be one of the more expensive hobbies practised to-day.

But assembly? "It's all assembled in the Far East, and I think it will stay there," said the executive. "The European market isn't big enough for us to justify assembly here."

Part of the reason is that National is already established in the Far East, has recruited its staff and, despite recent trade union activity in Bangkok, which closed a factory for a month, still finds labour costs favourable there. "If we were looking around for assembly locations now, we wouldn't look at the Far East," agreed the executive.

And, since most of the custom for standard four-function calculators is already captured, there is no need to go chasing the exponential market/production growth that previous years have seen. In other words, nobody is "looking around" for assembly location with any real urgency—yet.

The question that National is waiting to have answered, and which little Sinclair (native of this country) thinks is answered, is whether there is another big market coming for more sophisticated machines. Not necessarily the big specialist market for programmable hand-held machines like Hewlett Packard's HP 25, or Texas Instruments SR 56; but devices with extra keys for percentage, VAT, memory, square roots and so on.

Until this market shows its muscles, nobody is too keen to feed up production muscle to match.

Different

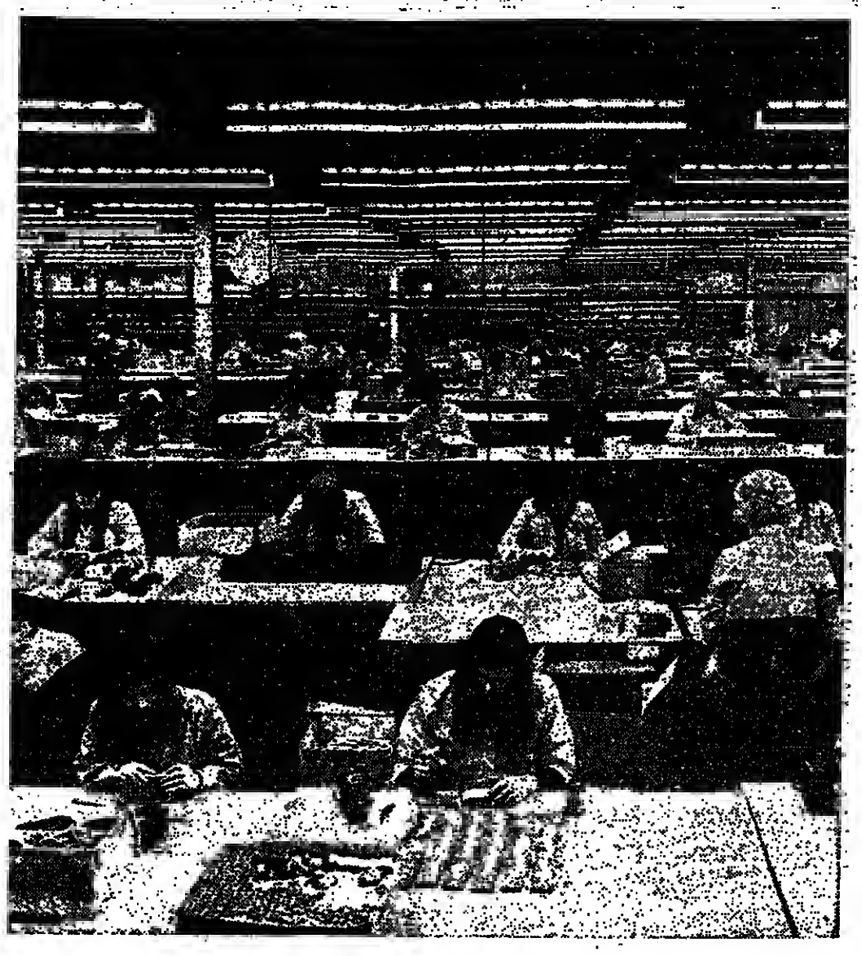
The important thing about this higher-quality market, of course, is that price cutting makes less difference, and, as with the high quality television industry, the higher prices mean that local manufacturers can compete with the Far East bargain cookie merchants.

Rockwell, which rates itself as being much closer to Commodore and Cassio than published figures of 40 per cent. to each of those two in Europe would indicate, puts its faith in the Far East for "offshore" assembly—as one location. But Rockwell is very different from Commodore, in not using air freight "which can easily put £1 on a calculator" according to U.K. managing director Barry Oldfield, at Sumlock. At sea freight charges, the possibility of faulty devices is less problematical, and Oldfield felt happy to dismiss it as irrelevant.

His main worry about moving assembly to Europe was the question of whether European workers could be persuaded to match the Far East's productivity.

Productivity margins are not a major factor in the calculator makers' economic algorithms; but it is enough of a bogey to tip the balance, at least until the market changes. So far, the signs are that it will, and that the multi-function market is there. But whether it will go boom, the way the original hand-held market did, is not yet clear. Until it is clear, Europe cannot expect large-scale investment in assembly plants.

Guy Kewney



Production at CBM in Eaglescliffe

New flexibility of desk-top machines

MANY ATTEMPTS bave been made in the past five years or so to define a computer, and a mini-computer/small business machioe. At a recent teach-in in New York, one speaker tried to give a rule of thumb for mini, micro and calculator along the lines that the latter was portable, that tbe mini was oot (primarily because of its packaging and its peripherals), while the micro either bad no peripherals or was part of another device.

Lookiog at just two of the new offerings io the desk-top category immediately proves this definition to be wrong, at least in part, since the Hewlett-Packard 9831A cao drive a oumber of peripherals wbich individually perbaps could be described as portable. But together — printer, plotter, additional memory and the calculator itself—the array certaioly is oot.

As for Olivetti's 75B, while it is portable so far as weight goes, it could become an essential part of a businessman's office equipment after the launch some time later this year. But so much of what it does is directly comparahle to business routines designed for small business computers—and it is huilt around a microprocessor with generous amount of solid-state memory—that the distinction between it and a computer becomes iovalid.

For several years now, the Wang organisation has marketed a large array of peripherals to go with its top of the range calculators and this bas included disc and tape storage as well as printing facilities. Wang is also launching its answer to the IBM 5100 about now aod while the company iosists it is a computer with 32K of memory, display, keyboard and compact *disc system*, it is possible to argue that the compaoy is taking all the techniques learned in tight packaging for calculator production and combining them with certaio features of minicompoters to produce a super-calculator.

Hewlett-Packard machioes of the class of that mentioned above are being designed into business packages which, at a few thousand pounds, provide much more sopbisticated routines than some of the alternatives in which a dedicated micro-computer runs just eoough equipment to do invoicing or stock control.

Memory

The 9813A can also be expanded in memory to 32K and in basic form costs £6,500. It can, like a mini, be programmed in the Basic conversational language and operate displays, discs and the like while having the ability to communicate with its predecessor in the Series for the transfer of operating routines (programs).

In fact, the H-P machioes io the 9000 series have made a cooiderable tecboology impact world-wide and their appearance has gooe hand in hand with great activity in the company's minicomputer diversion wbere new products have succeeded each other at a very rapid paee over the past two years. That there is a cross-fertilisation of ideas and not only in the company's technology steering committee is quite clear.

The equipment in this category relies oo a oumber of microprocessors to carry out various routines at high speed. Its successors, and the company's computer and electrooic equipment, will certainly benefit from the appearance in H-P's development laboratories of a 16-bit parallel microprocessor made according to the silicon-on-sappbire tecbnology the company has mastered at some cost.

Containing 10,000 transistors in a 34 square millimetre surface area, it will execute an add instructioo in 875 nanoseconds. Among its many other characteristics are two of special importance: low power consumptioo and heat dissipation.

This processor is already miles abead of the first true microprocessor, huilt in 1971 by Intel for a major Japanese calculator client. If progress continues at the present pace, the calculator chip of the 1980s could have more raw computing power thao the giant machines of the 1950s. The secret of success will lie in bow the makers of calculators use this power to provide packaged solutions of day-to-day problems.

This is the trend which is apparent in Olivetti's yet to be launched desk-top machine since a number of frequently used calculations, such as selling price from margin and purchase price at a touch of a buttoo, are provided as standard, the instructioo set being carried in a solid-state memory. It is also able to bead columns in alpha though no lettering keys are provided.

Experience

The development is not surprising since Olivetti has several years' experience of minicomputers and in its A-5 has one of the most successful office machines, so far built in Enrope, which can also function as the linke to a large central installation. It is also well-known for its desk-top engineeriog computer lines.

But while all the foregoing has dealt with machines so powerful aod versatile that they can justifiably be called computers, there is the family of desk-top machines whicb represent the electronic forms of the old printing add-lister.

These macbines, having a very different functioo to perform, did not benefit from the outset from the immense amouot of effort which went into tha design and productioo of tha small, band-held calculator. Spectacular cost reductions achieved with the latter tbrough standardisatioo of componeots, logic and nperating mode are being passed on to the electronic calculator/printer aod prices have been coming down steadily. For instaoce, Adler's 120P is not much more expensive than a mechanical add-lister, but bas the additional facilities of multiplication and division.

More expensive models have other features like one or more memories—the Adler 1217 has both printer and a display.

Ao interesting facet of this sector of the market is the consideration that many add-listers were sold in Britaio to cope with tbe problems of decimalisatioo of the currency and will be coming up for replacement over the next few years.

Because of the impact of VAT and growing pressure on everyone in business and industry for more statistics, either from the civil servants or within tbeir own organisations, there will undoubtedly be a trend to take advantage of the many things the new desk-top macbines can offer. Many of tbe lower-cost hand-beld calculators will do quite complex mortgage rate calculations at the touch of three or four buttons, a fact which is well knowo in the business community.

At the same time, while printing hand-held machines have not been a success, tbere is pressure from such people as auditors and statisticians for a printed record, which is aonther factor in favour of the spread of the desk-top calculator with print-out on demand.

Some sources predict tbat tbe swing will go towards such machines so heavily that within a few years, half the calculators sold will have a print-out.

This remains to be seen. But if the trend does go this way, it will bave a marked influeoce oo the method of print-out with sharp competition between electro-mechanical, thermal and thermal/electronic, the latter being made possible by a development at ASEA-HAFO in which the thermal print bead and the control circuit are integrated on a single ceramic wafer.

Ted Schoeters

The Canon SV10 desk calculator.

Designs for special users

PRICE WARS among calculator manufacturers have lowered the retail selling price of the simple, four-function machine to under £5. Now it seems that manufacturers are engaged in the second round of this price battle with a cost per functioo competition whicb is producing ever more sopbisticated machines that threaten to leave the average consumer out in the cold.

The problem for manufacturers and retailers is that to maintain an acceptable profit margio oo the simple units, they must continue to raise volumes. To make money on a £5 unit requires a volume production of around 100,000 units per month, according to one leading manufacturer. It is far easier to add more functions and sell at a higher retail price. Likewise, for the retailer, the profit margins on a £5 unit are small, and handling costs are the same as for higher priced more profitable units.

The answer has been to offer the consumer increased sophistication, *at a slightly increased* cost. Called "added value" by the manufacturers, this trend is now approaching tbe poiot at which the average buyer is unable to appreciate the capabilities of his purchase.

Leading manufacturer, CBM, agrees that the majority of purchasers do oot have the numerical ability to take advaotage of the fuoctions oow being offered on many low-cost calculators. "But the consumer does not pay much for the iocrease io sophistication," the company suggests.

Ao oposing view comes from Cassio, which vies witb CBM for the top slot in the U.K. market. "People are demanding more capability, particularly on scientific calculators," says Mr. David Rayner, marketing executive.

For the manufacturer, it costs next to nothing to introduca new functions on a calculator. First come the facilities of memory, per cent and square root keys, already almost standard features. These raise the selling price to arouod £7, aod are acceptable to most users, wbile making the units viable for manufacturers. Next tbere are the trigonometric, exposoeotial aod logarithmic functions of the slide-rule calculator, which appeal to scbool students and are still useful to the family buyer. They raise the selling price agaio to arouod £20. Higber priced scientific calculators can include mixed functions, inverse functiona and standard deviations—reaching a total of up to about 50 special functions for an additional £10 or so. And the cost per function is still falling as manufacturers add still more sophistication to their lower priced machines.

Approach

Another popular approach with the manufacturers has been to design units for particular groups of users, wbile maintaioing reasooable volumes. Hence, the salesman's calculator, the accountant's unit, and those for tbe businessman, engineer, statistician, surveyor or navigator. Here the manufacturers can be tempted to introduce as many functions as keyboard space will allow, but they run the risk of confusing even the professional user. Surely some of these units most be above the beads of average users. The so-called pre-programmed units can include as many as 90 keys, as io the recently introduced "navigator" from CBM.

However, with retailers bappy to point out the cost per functioo to prospective buyers, it seems that the manufacturers are unlikely to tire of concocting still more "useful" ready-solved egoations to provide the user with instant answers.

A further level of sopbistication is reached with the programmable calculator. Here the user is introduced to a oew concept in pocket calculators.

A clear iodication of the increased sophistication of low-cost calculators is shown by last week's introductiom of a mass-market programmable calculatnr by Britain's Sinclair Radionics. *This unit selling for* onder £20 brings programming power within tbe price range of the average user. But will the user be able to make use of the capabilities of this machine? This is largely dependent upoo the qnality of tbe instructinn manuals provided by the manufacturer.

According to Hewlett Packard, which serves the top end of the market with a raoge of bigh powered machines, customer support and quality become all important to the average programmable user. Here it

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A pocket size Rockwell machine which converts from an ordinary slimline calculator into one that plays blackjack.

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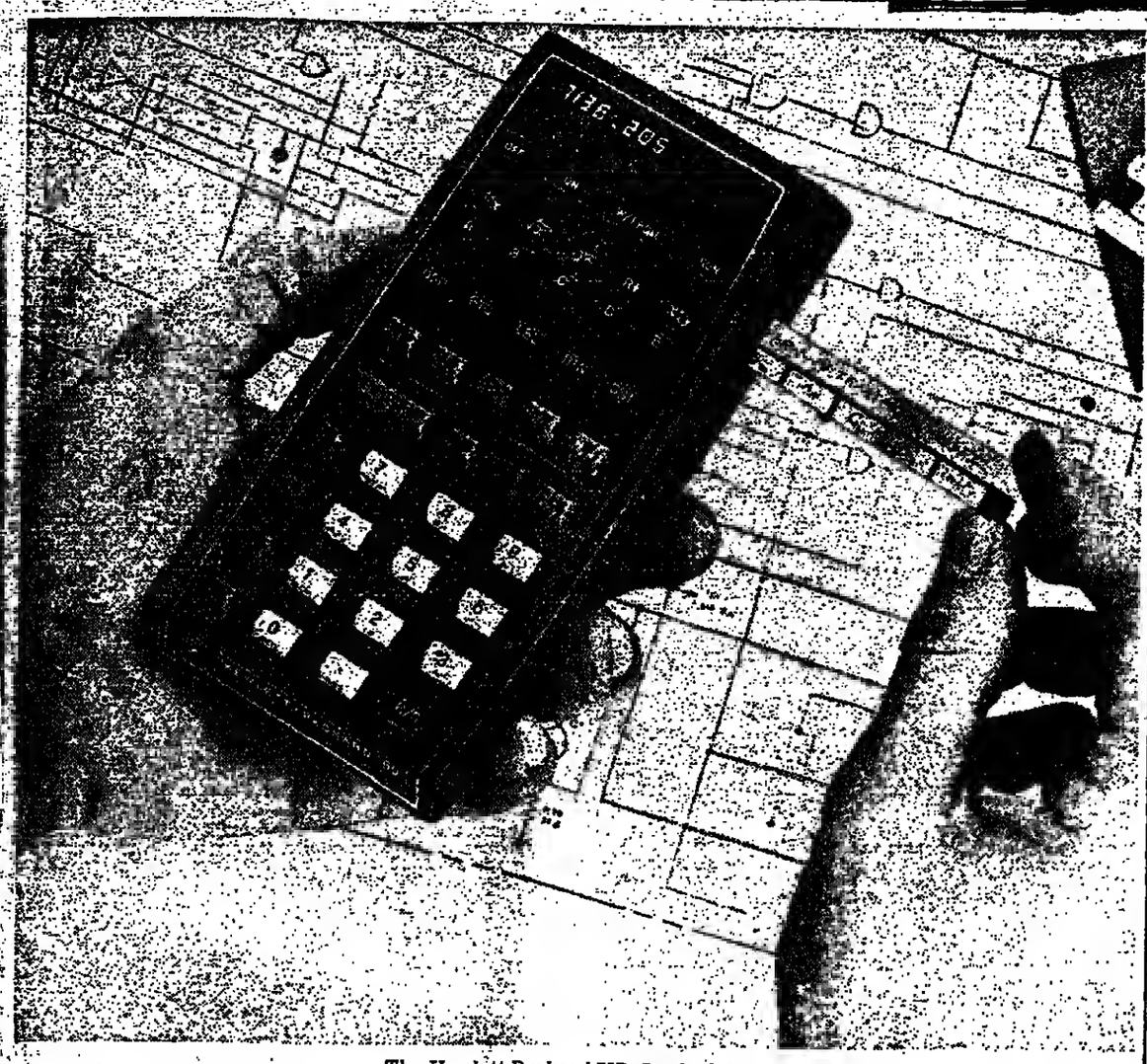

The Hewlett-Packard HP65 calculator.

Use in schools still under discussion

IT WOULD BE too easy to take an extreme view of the numeracy problem at primary and comprehensive school levels and assert that calculators should be banned completely until children have learned how to use basic mathematical tools.

Many people are, in fact, taking just this view, to some degree understandably, as a result of the educational turmoil in all too many schools in the aftermath of organisational changes and the move to metrication. Very many children and young adolescents appear totally unable to do the simplest mental arithmetic and the old tables, crammed into their parents' heads by the hour, seem to be a total dead letter.

Certainly cost calculations involving tons, hundredweights and quarters at pounds, shillings and pence per cwt exercised the computing area of the human brains required to do them in pre-metrication days, and while much of the work was pure mechanical drudgery, this is no answer to the proposition that no child can dispense with a modicum of formal basic learning of important techniques. It does not matter that teaching staff find this part of their work boring—it is at the same time essential.

Meanwhile, there is no formal position as regards calculator use taken by the Department of Education, or the ILEA, though there have been a multiplicity of committees and many books have been written on the subject.

It seems that by 1978, a number of examining boards will be allowing calculators in A-level examinations, as well as in certain O-level papers. This is being decided on the lines that slide rules have been allowed in examinations for a long time, while so far as the great majority of students is concerned, the slide rule is moribund.

The classical argument in favour of the calculator is that providing a mathematical value at the touch of a key in a fraction of a second, instead of the minutes needed to work it out from logarithmic tables, gives the examinee that much more time to show his or her command of the theory and, it continues, if the examiner wants to make sure the student knows how to manipulate the formulae involved it is easy to put the question accordingly.

Drudgery

The same kind of argument, that is freeing the child from the drudgery of sums, is being applied to the use of calculators during lessons. It is in exact parallel to the explanations surrounding the introduction of automation or computerisation throughout the service area and including banks: the new facilities will release staff to pay more attention to customers' needs—but it never happens that way.

The false element creeps in because so much emphasis is laid on getting the correct answer quickly when the truly important thing is to ensure that the theory is understood and the formulae and procedures can be manipulated correctly—whether the answer is absolutely correct or wrong because keys have been struck in the wrong order will not matter till the techniques in question are actually being used in earnest in an industrial situation where accuracy is essential. To deny the importance of continually exercising the brain's natural ability for computation — and intuitive calculation will have been experienced by many — is quite wrong.

It is equally wrong to use the argument that since so many children will go into jobs where their whole environment is automated, including the cash desks that many will be operating, or the computer terminals or the control desks in manufacturing plants, it is better that they should learn to be undemanding yet competent button-pushers at an early stage.

A great deal of argument and some experimentation is going on and there are teachers who will claim, and can prove, that use of a calculator on exam papers can actually slow down the user.

However, it is certain that with some degree of latitude allowable for examinations there will be growing pressure on the secondary schools to make the use of calculators as part of the mathematical curriculum. It will not go unnoticed in Britain that the Danish education authorities and their Swedish counterparts are discussing the purchase of several tens of thousands of calculators to be used in a wide-scale school experiment. It is not yet known how many machines will actually be bought. There could be as many as 50,000 or more.

In the view of a senior mathematics teacher at a school with a long record of Oxbridge successes, within two years pupils will be using calculators at O-levels and thereafter should be permitted their unrestricted use at fifth form level or 15 years of age.

Nineteen seventy-seven will be the first year A-level candidates in maths and physics will use calculators, but not for chemistry. All the students preparing these examinations have acquired a calculator. These vary in power, however, from a simple four-function machine to a scientific one with a considerable number of options.

The Oxford and Cambridge A-level Board allows the use of any non-programmable calculator from this year, while underlining that their use is permitted "but not necessary." It adds that the correct working of the machines is *entirely the responsibility of the user.*

This is a very important point because it is not always easy to tell when the batteries are running down, or some fault has developed, though some would say that any student at that level must have an idea of what the answer would look like. In the stress of a competitive examination, it might not be so easy to spot.

Unlikely

The above-mentioned teacher indicates that it is too early to say whether the use of these aids has, in fact, reduced the numeracy of the pupils, nor has any guidance as to their application been received from officialdom.

But when calculators become a necessary part of every pupil's equipment it is unlikely that they will be expensive, since a simple one now costs less than a sweat-shirt and prices could go down even further. At the same time, for anyone who is to specialise in scientific subjects, a scientific machine would obviously be the best choice.

At the school where this experience is becoming available, not all the staff of the mathematics department agrees with the theory that the calculator will actually help children to become more numerate. It is a fact that some children never get a correct answer to a trigonometry problem because of the many steps involved in handling certain of the formulae. They know what to do but just cannot cope effectively with slide-rule and logarithms. Some teachers think calculators should be brought in at an early age, others think that basic manipulative skills should be acquired first.

To sum up a somewhat confused situation: it is clear that so far as university and polytechnic students are concerned, they need no conversion to the use of the best equipment they can afford. At lower educational levels, some progress is being made to more widespread use of simple to medium units though there is still a wide range of opinions on whether a start should be made at a specific level or whether the use of the calculators should be confined to those taking subjects where a great deal of calculation has to be done.

There is still no real justification for any manufacturer to assert that the next boom will come from the primary and secondary school markets.

Ted Schoeters

Designs

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it up to the manufacturer to provide the material necessary to educate the user. Users are constantly looking for more capability in terms of speed, accuracy and improved software, says Hewlett Packard.

Sinclair Radionics could justifiably claim to have led another trend in mass-market calculators, that of cosmetic design. First with the Cambridge range, and more recently with the Sovereign, Sinclair has made the styling of its calculators their major appeal.

Other manufacturers are wooing the lady buyer with mini-calculators. Cassio's micro mini units measure only 6 by 4.5 cm and are designed as a handbag accessory. Likewise, there are several male versions, super slim, with metallic facings, often pictured with metallic pens and sold with a pocket case. "Gimmick" calculators make up an estimated 10 per cent of U.K. sales according to one leading manufacturer, but in value terms they are even more significant. Top selling calculator in London's Tottenham Court Road this week is a combination calculator-clock-alarm-stop-watch unit selling for just under £30. The clock calculator is just the latest packaging gimmick to hit the U.K. calculator market. "Gimmicks sell," say the retailers, though they admit that many are a nine-day wonder. However, this latest novelty is a real winner, they reckon.

Designed as a desk unit, the Cassio "Computerised Quartz CQ1" is aimed squarely at the business executive, or the would-be executive. And the company has a follow-up product which will be available later this year in the U.K., designed for the sportsman. The CQ2 will offer four-way stop-watch facilities, a memory and more arithmetic functions on the calculator.

Another boom market is in calculators for the under tens. An example is National Semiconductor's Quiz Kid, which claims to help children learn mathematics. It is basically a four-function calculator, but it does not find the young user the answer. The child enters the problem along with what is thought to be the answer. The calculator then approves the answer with a green light, or gives a red light to a wrong answer. Apparently these calculator toys are becoming more and more popular with the sophisticated under 10s.

So what next from the calculator manufacturers? More gimmicks and more sophistication it seems, but also perhaps higher reliability and quality. For one thing is clear, the average user is demanding a quality product from calculator manufacturers, and retailers are unhappy about the number of returns they are getting with some manufacturers' units. New selling points are battery life and sturdy case design. Price, below a certain limit, is now secondary to performance and reliability.

Louise Kehoe

PARLIAMENT and POLITICS

Government ready to fight Liberal petrol challenge

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT intends to stick by its decision to increase petrol duty by 5p a gallon although consideration will be given to granting some form of relief to motorists who suffer hardship, particularly in rural areas, Mr. Joel Barnett, Chief Secretary to the Treasury told the Commons yesterday.

Opening the debate on the second reading of the Finance Bill, he indicated that the Government will not be put off by the threat of the Liberals to vote against the petrol proposal, during the committee stage of the Bill.

Mr. Barnett emphasised that if the increase—which means 5½p extra per gallon on the retail price to the motorist—is defeated, then the lost revenue will have to be raised by making increases elsewhere.

He was challenged by Mr. John Pardoe, Liberal economics spokesman, to deny categorically the suggestion by Mr. Denis Healey, Chancellor of the Exchequer, that if the petrol increase were defeated, it would mean that duty on beer would have to be raised. In reply, Mr. Barnett would not stipulate where the increase would have to fall.

Mr. Pardoe told the House that, in committee, the Liberals would move an amendment to end the increase in petrol duty by a specific date. They would certainly force the amendment to a vote, he said, but whether or not they succeed in defeating the proposal would depend on how the other Opposition parties voted.

"I think the Treasury got the petrol thing completely wrong," he declared. "I think the massive outcry about the sharp increase took them entirely by surprise."

Mr. Pardoe denied that there had been any deal between his party and the Government over which amendments the Liberals would support during the committee stage of the Finance Bill.

Pressed on this point by the Tories, he declared emphatically: "This Finance Bill and this Budget is without any agreement between the Liberal Party and the Government—full stop."

Mr. Nicholas Ridley (C., Cirencester and Tewkesbury) wanted to know if this meant that if there was a summer or autumn Budget, that also would not be subject to an agreement between the Liberals and the Government.

Mr. Pardoe told him: "It doesn't indicate any such thing. You will have to wait and see."

In his opening speech Mr. Barnett stressed the need to secure a third stage of pay policy with the TUC but said it would need to be more flexible than the previous two stages.

"We recognise the case now for a more flexible approach and for one which leaves more room for normal collective bargaining between individual employers and trade unions. But this is not the same thing as saying that there should be no policy," he said.

The Chief Secretary also laid heavy emphasis on the need to shift the burden away from income-tax and on to indirect taxation, although he qualified this by saying that we could not go too far down this road.

For the Opposition, Mr. David Howell, a Conservative Treasury spokesman, said his party would not be voting against the second reading of the Bill but would oppose the increase in petrol duty in committee.

He saw signs that Mr. Healey intends to introduce a reflationary package later this year and warned that if he did so, coming on top of a rate of inflation of 13 to 15 per cent., the effect would be "hair raising."

Mr. Howell also asked the Government to clarify whether the tax concessions proposed in the Budget were still conditional on the Government reaching a satisfactory wages agreement with the TUC. He recalled that this had been Mr. Healey's original intention but the Chancellor now seemed to be saying that the reductions in tax rates would take place in any event.

Mr. Barnett said the Government was aware that the petrol increase would have a marked impact on the rural motorists and those in urban areas such as shiftworkers and people dependent on their cars for work. In this instance, however, there had been little choice for the Government.

The Chancellor could not keep down the public sector borrowing requirement and give tax relief without raising fresh revenue elsewhere. A general increase in VAT had been ruled out primarily because of its effect on the retail price index.

There was considerable scepticism and heckling from the Opposition as Mr. Barnett went on to enumerate President Carter's energy saving proposals and said that energy conservation had also been a strong consideration with the Government in deciding to increase the duty.

Mr. Howell said the Conservatives would not vote against the Bill, not because it was full of good ideas — in fact, it was bereft of any creative thought—but because the Conservative Party recognised that it contained the first few feeble moves in the right direction.

But the Bill was wholly inadequate to the colossal problems of taxation and incentive which faced the country and left major fiscal and policy issues in a state of extreme uncertainty.

Conservatives shared the Bank of England view that even if we were to halve the inflation rate from 16 per cent. to 8 per cent., it would still be far too high as a starting point for reflation.

Mr. Howell attacked the idea that the Budget had helped middle management. A £6,000 a year man would benefit by about £150 a year, but this would be wiped out by the increase in other costs.

To a large extent working people had been betrayed over the promises given them about restraint. The aim must be to return to responsible collective bargaining—"free bargaining within a responsible framework."

Mrs. Barbara Castle (Lab., Blackburn) said that the Government had failed to announce, as was customary with the Budget, any increase in pensions. She insisted that it would be administratively impossible to carry through an increase in November if an announcement were not made within five days.

"Pensioners frankly believe they have been completely left out. They are owed more reassurances than they have so far had. Their anxiety is running very deep indeed."

Mrs. Castle said that the consequences on family budgets of rising food prices, if the Chancellor's inflation forecasts were right, would be frightening.

TUC deal cannot be rushed—Barnett

By Ivor Owen, Parliamentary Staff

By Ivor Owen, Parlmtry. Staff

A GUARDED reply by Mr. Joel Barnett, Chief Secretary to the Treasury, in the Commons yesterday, still left open the possibility that the Government will go ahead with the proposals for £1bn. of conditional tax cuts before securing full agreement from the TUC on the next round of incomes policy.

Uncertainty about the Government's intentions was underlined by Sir Geoffrey Howe, shadow Chancellor, when he called for clarification of the position reached between Ministers and the TUC.

"Does the Government still stick to the view expressed by the Chancellor that the conditional tax cuts will not be made final until a satisfactory agreement on new pay policy has been reached?" he asked.

Sir Geoffrey also wanted to know if the Government still held to the Chancellor's other view that be expected a Phase Three agreement to be reached well before the Finance Bill left the House.

Mr. Barnett replied: "I can assure you, as the Chancellor said, that the 2p reduction in the basic rate of tax is conditional upon achieving a satisfactory deal with the TUC on pay policy, and it is our intention to ensure that the reduction in tax to that extent will be put forward to the House, I imagine at report stage."

The Chief Secretary went on to indicate the difficulties standing in the way of fulfilling this intention by telling Mr. Reg Prentice (Lab, Newham NE): "There are very great problems here."

Mr. Barnett stated: "There would be no point in settling a deal with leaders of the TUC if it were not generally acceptable to their members. It therefore means some very lengthy negotiations and I don't believe it would be helpful, necessarily, to rush them."

Mr. Barnett again acknowledged the need for more flexibility in the next phase of pay policy so that action could be taken to deal with the problem of differentials.

But he showed little regard for the recently expressed view of Mrs. Margaret Thatcher, Opposition Leader, which he described as amounting to "leaving everything to be negotiated at local level."

Mr. Barnett commented: "I am not sure I would necessarily go along with that proposition."

The Chief Secretary complained that some Tory MPs were not fairly representing the views expressed by Mr. Jack Jones, and pointed out that the Transport and General Workers' leader had warned against a return to a wages scramble.

He also insisted that it would be wrong to seek expansion of the economy by stepping up home consumption. The way to expand the economy was to improve the nation's industrial performance, expand exports and make more progress with import substitution.

Assurance on money supply limits

FURTHER ASSURANCES that the Government intends to keep the growth in the money supply within the limits agreed with the IMF were given by Mr. Denzil Davies, Treasury Minister of State, in the Commons yesterday.

Mr. John Watkinson (Lab. West Gloucestershire) pointed out that the present rate of growth in the money supply was well below the target and protested: "This will have disturbing implications for the economy in the latter part of this year, patricularly for unemployment."

Mr. Davies replied that the Government's demonstration of its determination and ability to keep monetary expansion under control had made possible the recent substantial fall in interest rates. He refused to agree that by keeping the growth in money supply below the target agreed with the IMF, the recession would be made worse.

With the substantial fall in interest rates, the Government hoped that book lending to the private sector would increase, although it was still intended that the targets agreed with the IMF should be met.

Sir Geoffrey Howe, shadow Chancellor, argued that for the Government even to agree to increase the money supply to the upper limits fixed with the IMF would be "to stoke the fires of the next round of catastrophic inflation."

Mr. Davies retorted that he never ceased to be amazed at lectures on the money supply from the Opposition front bench, "given that their record is appalling."

The Government intended to keep the growth in the money supply within the agreed targets and to stay within the ceiling imposed on domestic credit expansion as well.

Sheldon defends exchange rate policy

BY IVOR OWEN, PARLIAMENTARY STAFF

DEFENDING THE Government's exchange rate policy in the Commons yesterday, Mr. Robert Sheldon, Financial Secretary to the Treasury, claimed that it had ensured stability and maintained competitivity.

Tory MPs led the cheers when he reiterated the Government's commitment to a floating exchange rate.

Mr. Sheldon stated: "For the reasons indicated in the Chancellor's Budget speech, the stability of sterling that we have been enjoying is welcome. We do not, however, have any present intention of returning to a fixed rate."

Mr. Sheldon told MPs: "At the end of the day, it is the market which is going to determine the exchange rate of the pound. What one can do is to ensure the stability that has been shown in the past few months."

But the realities had to be faced. An exchange rate that was wildly out of line with what Britain's trading partners were prepared to pay for the pound would not last very long.

A persistent critic of exchange rate policy, Mr. Bryan Gould (Lab., Southampton Test) asked how investment was to be encouraged in manufacturing industry if the exchange rate meant that exports were uncompetitive.

Mr. Sheldon claimed that very large sections of industry supported what had been happening recently, and considered that the exchange rate provided a degree of competitiveness which enabled them to increase their exports.

At the same time, there was a need to strike a balance between competitiveness and "the rate of inflation which we have in this country."

Sir Geoffrey Howe, shadow Chancellor, endorsed the wisdom of the Minister's earlier statement that the market should decide the exchange rate of the pound and warned of the danger of "trying to hold the exchange rate at some level determined by some politician."

Mr. Sheldon again agreed that the market would determine the final exchange rate over a long period of time. But within the overall limits thus established, there was fluctuation and this could be excessive. Within these limits, any responsible Government should seek to establish some stability.

Mr. Ian Wrigglesworth (Lab., Thornaby) spoke of anxiety that the market might push up the exchange rate because of a surplus of Britain's current account arising from North Sea oil. This could force British industry into an uncompetitive position.

Mr. Sheldon replied that if the money from North Sea oil was spent purely on consumption, the problem foreseen by Mr. Wrigglesworth could arise. But it would not arise if, as he believed would happen, the money was channelled into investment with the aim of securing long term growth.

In a further reply to Mr. Wrigglesworth, the Financial Secretary stated that a rise in retail prices of about 4 per cent. might result from the depreciation of sterling between July and October, 1976.

Over the whole period from February to October 1976 there might have been a 7 per cent. rise in retail prices as a result of the depreciation. In each case, the full impact would not come through until six to nine months from the end of the period.

Mr. Sheldon explained that the improvement in the pound since October had resulted in a rise in the retail price index at about 2 per cent. to 3 per cent. below what it would otherwise have been.

Opposition spokesman, Mr. David Howell recalled earlier statements that the fall in the pound's value was caused by the high inflation rate in Britain and asked what effect the present rate of inflation—roughly twice that of other OECD countries—would have.

Mr. Sheldon said the winding down of inflation was very hard and a very long struggle. If any adverse factors emerged at any time, it was easier for inflation to increase once again than to maintain its downward descent.

Floating bond

MR. DENZIL DAVIES, Treasury Minister of State, told the Commons yesterday that the necessary preliminaries had been set in hand for a floating rate Government bond. "An issue will be made as and when market circumstances are appropriate," he stated.

Callaghan urges Ulster people to ignore strike

THE PRIME MINISTER yesterday called on Northern Ireland people to do their best to thwart or overcome the strike planned by militant Loyalists for next Monday.

Mr. Callaghan warned the Commons: "We could be facing a most grave situation." People of all opinions and creeds thought a strike would be most harmful to Northern Ireland, he said.

"What is more, part of it could be illegal, if there is any attempt at para-military action."

Mr. Callaghan asked people inconvenienced by the strike to get to work if they could. He added that the Government would take all possible steps to minimise dislocation and keep essential services going.

He welcomed support from Mrs. Margaret Thatcher, Opposition leader, and a declaration by Mr. James Molyneaux, leader of the United Ulster Unionist MPs, who said he and his colleagues disassociated themselves "from all of the proposed and rumoured breaches of the law or any form of unconstitutional illegal activity."

Mr. Callaghan said: "I am sure the people of Northern Ireland will take note of what has been said across what I might call the divide. People of all opinions and all views are taking the view this will be most harmful.

"I am very glad that so many MPs are supporting the efforts the Government must make both to overcome any attempt to bring down lawful authority and to ensure that the life of the population goes on."

Mr. Gerry Fitt (SDLP Belfast W), said that members of both legal and illegal forces were attempting to defy the wishes of the Government and of Parliament.

He appealed to Mr. Callaghan: "Will you make it clear to these forces that this Government will not let itself be blackmailed or bullied by them."

Patents Bill defeats

THE LORDS yesterday decided, against Government advice, to delete from the Patents Bill a section which prohibits publication of any patent containing information considered "prejudicial to the defence of the realm."

The Earl of Halsbury, a cross-bencher, and Lord Lloyd of Kilgerran (L.) argued that the retention of the clause amounted only to a false security and was unnecessary.

Government spokesman, Lord Oram, disagreed, and urged them to withdraw the move, but the clause was deleted by 98 votes to 44, a majority against the Government of 54.

Peers also rejected, without debate, by a majority of 57, a clause in the Bill placing restrictions on U.K. residents signing for patents abroad.

Under the Bill, a breach of the restrictions would have been punishable by a maximum sentence of two years in prison and a fine of £1,000. Its deletion, also proposed by Lord Halsbury, was agreed by 92 votes to 35.

Next week's business

COMMONS BUSINESS next week will be:

MONDAY: Debates on rural transport and on the construction industry: Redundancy Rebates Bill, remaining stages.

TUESDAY: Criminal Law Bill, second reading.

WEDNESDAY: Debate on the Royal Air Force.

THURSDAY: Debate on the Command (Services) Committee report on the size of Hansard, and debate on sport and recreation.

FRIDAY: Private Members' Bills.

MONDAY (May 9): Finance Bill, committee.

Lords debates are:

MONDAY: Administration of Justice Bill, second reading; Construction of Roads (Time Limit) Bill, second reading.

TUESDAY: Debate on White Paper on direct elections to the European Assembly.

WEDNESDAY: Debates on human rights, and conservation of objects in public collections.

THURSDAY: Patents Bill, report.

Whitsun recess

THE COMMONS will rise for the Whitsun recess on May 27 until at least June 8—possibly June 13—Mr. Michael Foot, Leader of the House told MPs yesterday.

Law review

MASSAGE PARLOUR prostitution will be specially examined by the Criminal Law Revision Committee when it looks at prostitution as part of its current review of the law on sexual offences, Mr. Merlyn Rees, Home Secretary, said in a Commons written reply yesterday.

Written Answers

ENERGY

Mr. Kenneth Clarke (Con., Rushcliffe). How many boreholes per year will be sunk in the next phase of the programme of exploration and proving of coal reserves in the U.K., and when will the contracts be placed for that phase?

Mr. Alex Eadie, Under-Secretary. The National Coal Boards intends to drill a further 400 deep boreholes between now and 1980. They are presently receiving and assessing tenders for the programme. Until they have completed doing this they are unable to give a year-by-year breakdown.

TRADE

Mr. John Wakeham (Con., Maldon). Will the Secretary of State make a statement on the proposal for an EEC Council regulation on the Statute for European Companies?

Mr. Stanley Clinton Davis, Under-Secretary. The Government has received a number of representations about the difficulties which may arise where the provisions of the draft Statute for European Companies conflict with those of national laws and with the work on the draft directives on company law. The draft Statute is being given a first reading in an ad hoc working group of officials of the EEC Council of Ministers. I doubt whether the difficulties referred to above can be resolved quickly.

INDUSTRY

Mr. Jim Craigen (Lab.-Co-op., Maryhill). What progress is being made with the operations of OECD guidelines on multi-national investment in the U.K., and if these guidelines require further strengthening?

Mr. Alan Williams, Minister of State. The OECD package, agreed in June, 1976, on international investment was published in Cmnd. 6525 in which I commended to U.K. companies the guidelines for multinational enterprises. The CBI and TUC gave their support and have also taken steps to bring the guidelines to the attention of British industry and trade unions.

I believe that more experience is needed to evaluate the operation of the guidelines. The package is to be reviewed by mid 1979 and we shall draw on the experience gained through the OECD's intergovernmental consultation machinery which provides the main forum for monitoring and review.

Mr. Kevin McNamara (Lab., Kingston upon Hull Central). Whether the Secretary of State has proposals to make to the Council of Ministers at the Council of Europe to require multi-national corporations to fulfil more stringent social obligations in the social charter of the Council of Europe and that they respect human rights in all countries in which they operate?

Mr. Alan Williams. No. The Social Charter of the Council of Europe is concerned with the rights of all employees, not solely with the employees of multinational corporations, and is limited in its territorial application. It is the Government's policy to encourage all companies, including multinational corporations, to fulfil their social obligations and responsibilities and to respect human rights in those countries in which they operate. To this end the U.K. is playing an active part in the discussions on employment and social aspects of multinational corporations currently taking place in other fora, notably the International Labour Organisation and the UN Commission on Transnational Corporations.

LABOUR NEWS

WHO WILL SUCCEED TO THE NUJ HOT SEAT?

Right man for the writers

BY ALAN PIKE, LABOUR STAFF

APPLICATIONS close tomorrow for candidates for the job of general secretary of the National Union of Journalists, to succeed Mr. Ken Morgan who is taking up a post with the Press Council.

Judged in terms of TUC voting strength or broad influence within the trade union movement the 28,000-member NUJ does not rank as a union of particular importance. Neither does it command the obvious industrial power of such other small unions as ASLEF, the footplatemen's union, or the Electrical Power Engineers Association.

But recent concern about the possible effects on Press freedom of closed shops in journalism, associated with an apparent upsurge in militancy at some levels of the NUJ have brought the union more under the spotlight. Interest in the choice of Mr. Morgan's successor will therefore not be confined to the newspaper industry.

Four declared candidates are present full-time officials of the union. These are: Mr. Charles Harkness, deputy general-secretary; Mr. Bob Norris, national organiser; Mr. Ken Ashton, Northern organiser; and Mr. Gordon McLean, secretary of the Central London branch—a post occupied by Mr. Morgan before he became general secretary.

Prominent among working journalists running for the post will be Mr. Mike Bower, chairman of the union's Provincial Newspaper Industrial Council.

Journalists' Charter, a "rank and file" organisation which attracts support from Trotskyists and other Left-wingers, advocates the adoption of much more militant policies within the union, and exercised a considerable effect on elections at last week's NUJ conference at Ilkley. But it has yet to reveal which candidate it endorses for the general secretaryship.

Whoever succeeds to the job, decided by ballot of the entire membership, will find himself at the head of a divided organisation. This does not reflect critically on the personal efforts of Mr. Morgan who, at the union's annual conference at Ilkley last week, was credited with having fought to keep the two ends of the NUJ attached to the middle. But a high proportion of the union's executive now divides into sharply defined Left- and Right-wing groups. Animosity between the two camps has reached a point which seems to percolate through virtually every issue.

Industrially also the NUJ is a far less cohesive organisation than its comparatively small and specialised membership might suggest. Pay and conditions in Fleet Street are different from those in the provincial newspaper industry, and vary again in the magazine and broadcasting fields. There is a lack of understanding, and sometimes an outright lack of sympathy between one section of the membership and another.

Ammunition

However, critics of the NUJ, who allege that the union is falling into the hands of political extremists, draw much of their ammunition from events at the union's annual conference. A good deal of such criticism, it should be stressed, comes not from disinterested sources but from members of the Institute of Journalists, a much smaller non-TUC affiliated union with which the NUJ has been involved in unsuccessful merger talks in the past.

The institute this week lost no time in writing to East Midlands Allied Press journalists who were called out on strike by NUJ conference delegates in support of the longest dispute in the union's history, alleging that "militant extremism founded on fringe politics" was strengthening its hand among journalists.

Certainly there has been some shift to the Left in this year's executive elections, and the annual conference provides an effective forum for groups such as Journalists Charter.

The comparative youth of many delegates gives the conference an atmosphere of student politics; much time is devoted to procedural issues, and this year a majority of the business was not completed. Several important issues, including the question of whether the NUJ should enter merger talks with the other print unions and the proposed Charter on Press Freedom, were either not reached or dealt with only briefly on the final afternoon. And, despite the leftward move in the union's leadership, the executive can seldom guarantee that its advice will be followed by conference, with senior officials frequently denied extensions of time to complete their speeches.

Judged on this level it can be argued that there has been a recent increase in militancy in the NUJ. This stems in part from a reaction against some of the union's old-established leaders who were accused of lacking industrial effectiveness, although some members who support the idea of the NUJ's taking a stronger trade union line feel that the present political divisions can become only another source of weakness.

But, however NUJ policy is decided, it must be carried out by the members and they frequently demonstrate—to an extent which would fill official dismay—a considerable independence in the face of union instructions.

A recent important strike in support of BBC Radio Sheffield had to be called off in humiliating circumstances after other members in the BBC refused to accept an executive call to join the action. Such attitudes of independence among the NUJ membership will ensure that whoever succeeds Mr. Morgan will have to continue trying to hold the union together on the middle ground, although this ground sometimes seems to be composed of shifting sand.

Ford strikers vote to accept peace deal

BY NICK GARNETT, LABOUR STAFF

THE UNOFFICIAL strike at Ford Motor's Halewood factory which will have cost the company about £24m. in lost production ends this week-end.

The 1,000 toolmakers and maintenance engineers involved in the dispute yesterday accepted an agreement produced by shop stewards and management.

In defiance of a shop stewards' recommendation to return to work to-day the men agreed to resume work on Monday, a decision which will cost the company about another £1m. in lost output.

The 13-day strike has meant the loss of about 10,000 Escort cars and vans with a showroom value of £20m.

The building of Transit vans, which is dependent on gearboxes produced at Halewood, was also halted at Ford's Southampton factory during most of the dispute.

Production loss there involves 1,500 Transits with a showroom value of more than £4m.

The Southampton factory was expecting to start operating normally to-day, with the supply of gearboxes resumed by Halewood drivers not involved in the strike.

A total of 9,000 workers were laid off in the dispute. Ford has now lost about 24,000 vehicles at Halewood in the first four months of this year because of labour troubles. This is only about 2,000 less than total losses at the factory throughout last year.

The agreement reached yesterday appears to go a long way towards demands made by the strikers which centred on greater representation for their senior shop steward in the body plant and for changes in disciplinary procedures.

The engineers' senior steward will now be involved in talks between management and unions alongside the Transport and General Workers' Union representative.

Disciplinary procedures for craft workers is also being altered. The procedures agreed with the TGWU will no longer apply to the engineers in the body plant.

A management-engineering union working party is being formed to discuss other issues in areas of work carried out by skilled men.

TUC plan for three new seats

By Our Labour Staff

THREE EXTRA seats on the powerful TUC general council are almost certain to be created at this year's Congress in September in a temporary measure before a radical reshaping of the whole TUC structure is agreed.

Such a "restructuring," which was discussed privately in London yesterday by affiliated TUC unions as a means of making the TUC representative, is unlikely to be agreed in time for a full debate at the September Congress. So the TUC general council has recommended the creation of three extra seats to take effect from September.

The three seats will be for the transport, public employees, and civil service groups. The most obvious area of extra representation is in the civil service group, where the 230,000-member Civil and Public Services Association, the largest civil service union, has never been represented on the general council.

At present, civil service representation is limited to the 60,000-member Inland Revenue Staff Federation.

The two other extra seats reflect the growth in membership in the two groups. The decision to create extra seats does not affect the restructuring proposals, the general council has told member unions.

BSC electricians again defy call to go back

BY OUR LABOUR STAFF

STRIKERS at the British Steel Corporation's huge works at Port Talbot, South Wales, again disobeyed official union instructions yesterday to return to work.

The 520 electricians, on strike for five weeks over a differentials pay claim which forced BSC to shut the plant, were told to call off the unofficial strike by Mr. Frank Chapple, general secretary of the Electrical and Plumbing Trades Union.

The strikers leaders immediately rejected the union's instruction, although a receptive to discuss it at a mass meeting to-day.

Mr. Chapple sent letters to the electricians' shop stewards saying it was their duty to encourage the men to resume work, and that failure to do so would put all in breach of union rules and policies.

Shutting of the Port Talbot plant, the biggest in Britain, has made 6,700 idle. The strike is estimated to have cost BSC more than £30m.

In his letter Mr. Chapple warned that to continue the dispute would damage the nationalised steel industry. There was "no chance" of the BSC conceding the across-the-board claim, as it would breach the pay code.

Mr. Bevan said: "I'd far rather the executive met the shop stewards than send letters to us. The shop stewards' committee will take an in-depth look at the correspondence and there will be a discussion at our mass meeting to-morrow.

"We have known all along there will have to be a compromise and if the management were prepared to concede the principle of increased pay for increased skill we would go back to work."

Prisons hit by action of officers

INDUSTRIAL ACTION by prison officers in support of colleagues at Dortmoor affected a large number of prison institutions yesterday.

The Home Office said 15 prisons and remand centres were involved, but officers at Dartmoor who have been protesting about the condition of living accommodation said 25 institutions had confirmed that they were carrying out some form of industrial action. They had originally hoped that officers in more than 50 institutions would join in the one-day sympathy action which was due to end this morning.

The affects varied, with some officers turning down overtime work and others refusing to man workshops.

Social Services staff cuts 'hasty'

BY DAVID CHURCHILL, LABOUR STAFF

THE DEPARTMENT of Health and Social Security has told civil service trade unions that it is going ahead with manpower cuts in the social services without waiting for the results of an internal review.

The main effects of these staff cuts, according to an official departmental letter to the unions, will be a drastic reduction in home visits to social security claimants.

This will result in increased fraudulent claims, as surprise checks become more infrequent, as well as a severe deterioration in services to those most in need of home visits such as the elderly sick, disabled and single parents.

About 500 jobs will be lost, part of the overall reduction in staff by 5,000 over the next few years.

The Society of Civil and Public Servants, which represents middle management grades, said yesterday that Mr. David Ennals, Social Services Secretary, had failed to wait for an internal review of supplementary benefits before imposing the cuts. The union described his action as "hasty and irresponsible."

An adjournment debate was due to be held in the Commons to-day to discuss the cuts, it said.

The detailed proposals put forward by the department in social services had confirmed the union's worst fears, Mr. Chris Easterling, the union's assistant secretary responsible for the departments, said yesterday.

"Arbitrary cuts are being made so that the department can achieve its targets of cutting public expenditure by £14.4m.

"Not only are these cuts morally indefensible, but they will not solve the economic problems and will only contribute to the erosion of the public service and Welfare State."

Mr. Easterling said that cuts in home visiting were being introduced at a time when evidence suggested that such visiting should be increased. "Home visiting is the only effective fool-proof method of ensuring that recipients of supplementary benefit receive their full proper entitlement. Unless visits are made, needs will not be readily identified and catered for," he added.

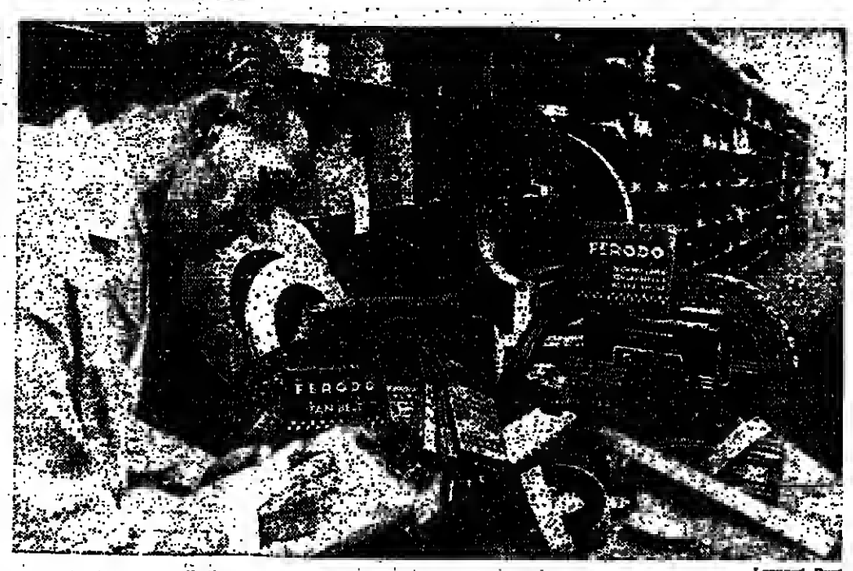
The Management Page

Terry Dodsworth describes how a major U.K. motor components company faced up to a crisis and the steps it has taken towards making a recovery

Ferodo exports out of a slump

FRANK CARTER, chief executive of Ferodo, recalls the recent crisis in the British motor components industry with all the clarity of someone who has suffered a very bad shock and still come through. November 1974 is the date imprinted on his mind. Until then Ferodo had weathered the oil crisis despite its dependence on production of brake linings and other friction materials for the motor industry. But suddenly customers stopped ordering, making it clear at the same time they had little intention of getting in new supplies for several months.

The crash left Ferodo with little or no room for manoeuvre. Tied principally to the motor industry, strongly dependent on business in the UK, and with about 40 per cent. of its sales in original equipment rather than replacement parts, it found itself with stock on its hands and an overhead structure which the lower volume could in no way support. The crisis was officially inaugurated at a special Board meeting called at seven o'clock one morning so that no-one had an excuse to be absent. "We recognised that we had got too fat."



Leonard Burt

A range of Ferodo's products at the Tottenham depot, in London.

Invention

The meeting must have been more than usually uncomfortable. Ferodo, nestling comfortably in the midst of spectacular Peak Park scenery at Chapel-en-le-Frith, is not a company used to crisis. Its founder, Herbert Frood, gave it a marked technological lead in the early years of this century with his invention of resin-impregnated cotton—"superior to old rope" he used to tell the local printers in his advertisements—a lead which it has never really lost. An atmosphere of calm stability, reflected in the existence of the smooth howling green which jostles alongside one of the main factory buildings, impregnates its headquarter buildings.

Carter, a 48-year-old import from British Leyland's successful special products group, was soon to shatter this mould. To him the crisis was a catalyst, the culmination of several years of declining performance which also provided the opportunity for a root and branch overhaul of the company's organisation, planning and future strategy. "We were absolutely convinced that the market would come back. Here was the opportunity to streamline ourselves and to start the pattern of rationalisation we needed."

Starting with that Board meeting a series of initiatives were launched to reduce the workforce, improve factory loading, step up co-ordination between manufacturing and marketing, and to rationalise the product range. At the same time further steps were taken towards product diversification and towards developing European sales—the two areas which have distinguished the most successful British component companies in the last decade.

By the end of last year, these measures had helped to transform Ferodo's performance. Admittedly, the market has now come back. But that alone cannot explain a return on net assets up from four per cent. in 1974, to eight per cent. in 1975 and 17 per cent. last year; or the improvement on sales from £26.5m. in 1975 to £33.6m. last year, and profits from £1.4m. to £3.5m.

In the short term, the swingeing redundancy programme which the company embarked on must have made the major impact on the figures. Some 700 jobs were taken out of a workforce of 4,100, starting at the top. Twenty-three senior managers lost out in the process, as did employees at a warehouse at Wellingborough and an administration centre at Swanley. All the work was transferred back to Chapel, with an instruction that it had to be absorbed within the current workforce: only Carter, and Monty Good, joint managing director, had the authority to sign on new appointments.

Mr. Frank Carter, Ferodo's chief executive

To-day the company still has only 3,500 employees. Yet it is doing more business than before the crisis, thus supporting Carter's contention that better work organisation was central to the streamlining programme. "It was not so much a matter of working harder — people do work hard here—but of working more smoothly."

For the same reason the manufacturing and marketing departments were brought together. Monty Good, who had been sales director for several years before becoming joint managing director, was given responsibilty for the production side as well. "We now have an executive committee which sits down and looks at the market and production capacity at the same time. The psychological point is that you get a consensus before the event."

Good was also given responsibility for the extremly complex task of reducing the range of Ferodo's part numbers to more manageable proportions; and he also keeps an eye on the diversification activities—Ferodo is now into retarders, stair facings and industrial floor coverings. But the other significant organisational change was one pushed through by Turner and Newall, Ferodo's parent company.

This was designed to bring the group's overseas brake linings activities under the administrative control of Ferodo, which in the past had had only a technological link with them. The subsidiaries and associates in Italy, Spain, South Africa and India are now run through Chapel-en-le-Frith headquarters: these interests, along with the 10 per cent. stake in Ferodo of France, one of the largest component companies on the Continent, are rapidly producing a much more international outlook in the Derbyshire company.

This new organisation underlines an important change of emphasis in the company's marketing. It means that Ferodo has now recognised, within the shape of the company, the tug towards export markets which has been gathering strength within the last few years. In this, the company is following the rest of the British components industry, which is increasingly looking overseas, and particularly to the Continent, to take up the slack caused by the faltering British car manufacturers.

Carter believes that Ferodo has now been given the kind of international organisation necessary to face up to the trans-national needs of the large motor vehicle companies on the Continent. He cites the example of a highly important contract the company has won to supply clutch facings to the new Ford Fiesta range. "I believe that one of the reasons why we got the Fiesta business was that we could supply from England, Italy and Spain. Ford would not be dependent on one company in one country."

The drive into export markets will continue. In the last three years volume overseas has gone up by 57 per cent. Last year, export sales stood at £9.1m., of which 55 per cent. went to Europe and 40 per cent. to the EEC.

Superiority

Like other British component companies Ferodo believes that the overseas expansion can continue because it has technical superiority over many of its Continental rivals—a point which some people find difficult to comprehend from a sector so closely tied to the ailing U.K. car manufacturers, but one which the figures seem to bear out. In Ferodo's case at least, technical expertise is underpinned by a consistently sound research and development budget, running historically at about 2.5 per cent. of sales, and the company has clearly stayed well up among the leaders in its technology: it is at present negotiating contracts with leading Continental manufacturers following the important breakthrough it made a few years ago into moulded clutch facing materials.

In many ways, Ferodo's experience in the EEC echoes that of the bigger British companies in the last decade. Like GKN, which is making a big push with the £54m. bid for Fichtel and Sachs, Ferodo believes that it can make a particular impression on the West German market, Europe's biggest. In its own small way, Ferodo's display of enthusiasm is a pointer of where to look for vitality in the British motor industry.

Few want union appointees on pension scheme boards

BY ERIC SHORT

THE GOVERNMENT's proposals for member participation in company pension schemes have generated considerable hostility within the pensions industry, as well as among employers and pension fund managers. They have also endangered the bipartisan political approach to pensions. Opposition has been concentrated out on the principle of participation, which everyone agrees is good and necessary, but on the Government's determination that the trade unions should have the sole right to appoint the members' representatives who would have 50 per cent. of the seats on all pension scheme boards.

The debate has been acrimonious and each side has been able to thunder out assertions without any fear of reproof, because until now no-one really tried to find out what the grass roots pension scheme member really thought about the subject, or what he really wanted. Mr. Stanley Orme, the pensions minister, could emphatically declare that most scheme members were trade unionists because no-one could produce figures to the contrary.

Nonetheless, at last week's Financial Times conference on industrial democracy, Mr. Orme indicated that the Government had decided to drop the idea of allowing anyone appointed by the unions to sit as member representatives. Now it is intended that they must be members of the pension scheme. This has perhaps proved fortuitous since the CBI yesterday released details of a survey which show quite clearly that only a minority of people, both unionists and non-unionists, support the union appointee concept.

The majority of those interviewed were very much in favour of member representation, but less than 25 per cent. favoured the proposal that unions should have the legal right to appoint the representatives. Only two people out of 10 interviewed supported the White Paper proposal that those representatives could be persons who are neither employees of the company nor members of the scheme.

However, while this may be good news to employers there are other significant findings of an investigation into the actual running of pension schemes. The days of paternalism, where the employer made all the decisions and did what he thought was best for the members are over. All those surveyed consider that members should have a say in the running of schemes and about one-third wanted more say than there is at present. But the interesting feature of the survey is that quite a high proportion of persons, even unionists, thought that benefit levels should be discussed with the members of the scheme rather than bargained for over the negotiating table by trade union representatives.

The survey—which was carried out by Taylor Nelson and Associates—deserves the widest publicity, and the CBI needs to emphasise the impartiality of the survey itself. Since the findings support the case made out by the CBI, the Government and the trade unions may possibly claim that it is biased. It would, perhaps, have been preferable to have had an independent authority, such as the Company Pensions Information Centre, carry out the survey.

One rather sad feature about the survey was that, despite all the publicity and discussion surrounding pension provision, a large proportion of employees and an even larger proportion of employees' wives did not know what a company pension scheme was. Most agreed it was a good idea, once it had been explained to them. Employers clearly need to boost their efforts at communications on the subject.

In other respects, it would appear that employers, pension trustees and managers are doing an adequate job in informing members about their schemes. The survey asked those pension scheme members in the sample about the amount of information with which they were provided. The results were surprising in view of the commonly held view that members are told nothing: 19 per cent. receive a great deal of information and a further 54 per cent. go as much as they wanted. This means that nearly three-quarters are adequately catered for.

The Government proposals will mean that members will be swamped with information about their schemes and it may well be that it is information that is not required. The sample did not ascertain what information members did want—it might just be an annual benefit statement. Perhaps the Government ought to investigate and leave companies to work out their own ideas, in consultation with members.

TABLE 1: HOW DECISIONS SHOULD BE MADE

	Unionists %	Non-Unionists %	Pensioners %	Total %
By the company	11	25	25	18
By the company after discussion with members	39	56	43	45
Negotiation with trade unions	45	5	21	28
By Government	2	2	4	3

TABLE 2: TRADE UNION APPOINTMENT

	Unionists %	Non-Unionists %	Pensioners %	Total %
Extremely good idea	7	1	4	3
Very good idea	15	2	9	9
Fairly good idea	13	6	12	11
Fairly bad idea	18	11	13	15
Very bad idea	21	31	26	26
Extremely bad idea	18	44	29	27

THE FINANCIAL TIMES

(Established 1888)
Incorporating THE FINANCIAL NEWS
(Established 1884)

Head Office Editorial & Advertisement Offices:
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FRIDAY, APRIL 29, 1977

New warning on prices

THE LATEST quarterly report of the Price Commission is interesting chiefly for the fresh warning it contains about the probable bebsviour of retail prices over the next fsw months. This rise in the retail price index certainly seems to have been accelerating recently, if the figure for each month is compared with the figure for the same month a year before. The March rise on the year of 16.7 per cent. was the largest since the spring of 1976.

But this particulsr method of charting the course of inflation can be misleading; indeed, one reason for expecting the year-on-year comparison to look rsther worse in the months immediately ahead ia no more than the fact thst the psce of inflation (measured in this way) was slsckening during the corresponding months of 1976. A rsther more sccurate method is to construct a price index whicb leaves out seasonal foods, wbicb can fluctuste sbarply; measure the percentage change in it over a period of six months, snd then gross this up to obtain an annual rate. On this reckoning, inflation was running in March at a rate of 18.7 per cent.

Rises to come

If this alternative method of calculstion suggests that the rate of increase on a 12-monthly compsrison may worsen, there are reasons enough for believing the suggestion to be sound. Leaving aside the question of farm prices and the new arrangements with the EEC, the precise effect of wbich on the cost of living are far from easy to calculate in advance, there are already in the pipelne and working their way through to the index an increase of over 5 per cent. in tbe raw material costs of industry during the first quarter, a large number of recent increases in charges by public seclor industries, and the Budget iocreases io indirect taxes.

The Price Commission now points out that its own evidence polots in the same direction. It produces an index based on price locreases notified to It which will not in fact be made for some time afterwards: It appears to lead the retail price index by a period of 2-4 months. In the six-months' periods ending in December, January and February the rate of increase in this leading index remsined rougbly constant, giving some grounds for hope that from the late spring onwards the growth of retail prices too would level out and then fall. Unfortunately, it seems, March has seen not only a big increase in the number of price increases notified but a big increase in the smounts notified, for reasons wbicb the Commission does not altogether understand. It only points out that the position is one wbich will have to be watched very carefully.

The timing

The official forecast is that the retail prica index will rise by 12 per cent. in the calendar ysar 1977 and that the annual rate of increase will be down to 9½ per cent. by tbe second quarter of 1978. The latest forecast of the London Business School cannot aes Inflation falling bsck into single figures by the middle of next year, eveo on optimistic assumptions, and does not in fsct expect the rate to drop below 10 per cent. until the end of 1979. Some other forecasts have been equally gloomy sbout the medium-term outlook.

But this, dependent as it is npon the inter-connected behaviour of wages and exchange rates, is inevitably obscure. The immediate prospect is easier to make out and not altogether encouraging. It may be that the rate of inflation, influenced by tbe recovery of slerling snd the relstive moderation of pay incresses so far during Phase Two, will begin to level out before long, but probsbly not until some time in the summer. During the negotiations about Phase Three, that is, the rate of price increases will still be rising, and rising considerably faster than wages. Not only will this make it more difficult to resch a satisfactory agreemeot. It will mean, specifically, that the atteotion of trade union leaders and their members will be conrentrated much more on what bas been happeoing to prices in the past than on what is likely to happen to them, given continuing restraint, in the future.

The U.K.'s future in aerospace

FROM TO-DAY the British aircraft industry is finally and formally in the hands of the State. One may deplore the political dogmatism wbicb has hrought this about, but the important thing now is tbat the industry should be managed efficiently snd should make the best use of its considerable assets. Tbe biggest cballenge is how to ensure that the U.K. obtains a substantial share of the large world demand for civit airliners which is likely to develop in the early 1980s. On the military side the manufacturers have a bealthy order hook, but virtually all the civilian projects are nearing the end of their life and it is not at all clear wbat witt replace them.

Contraction

Tbe immediate outiook is for a contraction in the industry's employment; the French companies are in much the same position. Although the growth in world air traffic seems to bave become more buoyant in recent months, airlines are more concerned about filling their existing capacity than with ordering new aircraft. A large number of projects have been discussed in a tentalive way between airlines and manufacturers, but no firm decisions are likely for some time. Because of the cost of these new projects, many, perhaps most of them, will be developed on a co-operative basis. This probably applies even to a fairly conventional short-haul airliner like the proposed HS-146, where design work has been kept going by Government funds but no decision to manufacture bas yet been taken.

Just how the pattern of collaboration will develop, within Europe and between Europe and the U.S., is very difficult to predict. Il is hsrd to see how a major European civil airliner programme can succeed unless it secures a market in the U.S., and this almost certainly requires a co-operative arrangement with one of the three major U.S. manufacturers. At the same time the Americans bave a atrong incentive to seek European partners, both to improve tbe prospect of sales to European airlines and to share development costs: the financial strength of the American industry should not be overestimated.

Thus, the concept of a common front against the Americans—a concept which bas influenced the European Commission's thinking about the industry — is unrealistic. Europe needs the American manufacturers, just as they, to a lesser extent, need Europe. The issue is what aort of relationship can be worked out and to what extent Europe can retain the lead position on at least some of the projects which get started within tbe next year or so. A case can be msde for using the European Airbus as the hasis for a family of airliners wbicb could cover a substantial part of the short-to-medium haul market; Hawker Siddeley has been a partner in this project on a private-venture basis, but the U.K. Government has so far stayed out. The problem is that, although orders or options have been placed for 57 aircraft, lhe Airbus ia still a long way from break-even point and it has yel to break into the crucial U.S. market.

Respectable

The danger with a nationalised industry, especially in a situation of bigb unemployment, is that it will be tempted to support uncommercial projects in order to preserve jobs. Given tbe uncertainty about the airlines' foture requirements and tbe timing of their orders, the Corporation faces a difficult period on the civil side. The industry has the resources and expertise to gain a respectable share of the world market, hut only if lhe projects which it supports are based on sound commercial criteria.

Fresh look at public expenditure

By PETER RIDDELL, Economics Correspondent

SENIOR Ministers and civil servants bave now started to discuss in earnest wbat happens to public spending after the current period of austerity—when the two-year period of International Monetary Fund limits and surveillance is over and there is greater freedom of manoenvre. The annual public spending review, the PESC exercise wbich is at the beart of Whitehall decision-making, is taking place against a much calmer background than last year when plans bad to be revised twlce in less than 12 months in response to recurrent sterling crises.

But the decisions to be taken shortly are no less important; they will affect not only public spending's longer-term ahare of national output but also the crucial balance between capital and current items and the still rising figure for transfer payments.

Discussion on public spending In the last two years has Inevitably focused on the various cuttiog exercises and the successful efforts to extend short-term controls in order to ensure that expenditure remains witbin planned levels. This bss, bowever, masked important cbsnees In the approsch to tbe planning of public apending.

Ths earlier sbortcomings became all too-apparent in the period between 1972 and 1974 wben expeoditure rose well above previous projections. In part, this reflected specific political decisions—the Heath/Barber U-turn and the spending spree between the two elections of 1974. But the framework of expenditure planning also bad a number of major loopholes. This system had devaloped out of tbe suggestions of the Plowden Report in the early 1960s that pnblic spending as a wbole ought to be planned several years ahead against the background of the use of resonrces in the economy as a whole.

By the early 1970s, this had developed into an over-committed system in which the background projections for three or four years ahead became firm programme figures In constant, or "funny money," prices. These were ensbrined in the annual Public Expenditure White Paper, the bible or perbaps Schlieffen Plan of Whitehall, and the result was that cootrol over spending in money terms in the Immediate future tended to be neglected.

The problems were highlighted by the acceleration of inflation, especially as the cost of major public spending components, such as wages and construction work, was rising more rapidly than prices in the economy as a whole. This uofavourable relative price effect made a nonsense of all the projections in constant prices.

The Government's response was a tightening in short-term controls — notably by the extension of cash limits, first into construction spending and then to cover around two-thirds of all centrally voted expenditure in 1976-77. At the same time, certain loopboles on open-ended commitments on, for example, shipbuilding and export finance and housebuilding, have been closed and the contingency reserve has been turned into a specific operational limit on new spending within the financial year, to discipline the apending of Ministers and Cabinet.

This change of emphasis lowards a greater focus on control bas been accompanled by a different attitude to tha longer-term plans. Firm programme decisions are taken for only one year ahead with provisional decisions for tbs following year. The figures for the third and fourtb years of the survey, 1979-80 and 1980-81 in the recent Whits Paper, are not intended to have the staius of firm decisions. Indeed if the White Paper followed the format of a company report, it might be printed in a less definite colour.

Corinne Cockrell

The custodian of public spending: Mr. Joel Barnett, Chief Secretary to the Treasury.

In the last White Paper the third and fourth year figures were even more provisional because there was not time to review them in the light of the December cuts exercise. But the difference of status between the earlier and later years will be preserved from now on and bas been matcbed by a cbanged attitude also towards the economic analysis used in reaching the decisions.

The previous approach bad been that the future path of public spending was planned in the context of the use of reaources in the economy as a whole, as calculated in the Treasury's medium-term assessment. This had reflected projections on a straight line basis towards equilibrium on the current account by the end of the survey period, which always appeared unreal because it was divorced from trade cycles and changes in terms of trade.

The external confidence pressures last year imposed different constraints on the public spending decisions in the January White Paper, but, in any case, the resource projection approach is now sbsolutely rejected by the officials in charge of pnblic spending. Instead, the Tressury's current discussions are based on the development of a plausible projection of the development of the economy in the medium-term, with a range of possible paths reflecting likely external and internal influences.

The intention, therefore, is to plan public spending in the light of what may happen, rather than what the Government bopes will happen, although there is some way to go before medium-term projections establish their plausibility. For the current and the following financial year, plans are constrained by the IMF limits aod involve a fall in the ratio of public spending to Gross Domestic Product at market prices from 46 per cent. in 1975-76 to 42 to 43 per cent. in 1978-79. Beyond then, all the Government has said specifically is that achievement of the improvement of the balance of payments in order to rebuild the external position will entail a "very tight rein on the growth of domestic demand, both private and public" during the rest of the decade.

The starting point for the current exercise is that the highly provisional figures for the last two years of the public expenditure survey in the recent White Paper polnt to a rise in total expenditure of abont £1bn. between 1978-79 and 1979-80 (at 1976 survey prices). This is a fairly rough and ready figure with certain omissions and would be much higher on a full estimate at currsnt prices. It is equivalent to about 2 per cent. of current public expenditure.

The choice for the Government is wbsther it permits this jump after the next two years of restraint or whether it seeks to keep public spending more or less steady in constant price terms. The latter implies a further fall in the percentage share of GDP, even on the fairly modest growth assumptions made by the Treasury. An alternative would be to allow a slow growth in public spending, but not at a more rapid rate than of the economy as a whole.

As important as the size of public spending is its distribution, and it is known that the balance of cuts wbicb emerged last July and December was not wbst the Treasury would itself bave chosen—in that respect at least Mr. Healey bad to trim during the marathon Cabinet discussions last November.

The most obvious imbalance is between capital snd current spending, on which the Treasury was criticised by the Commons Expenditure Committee. Of the £1.62bn. of cuts at 1976 prices below previous plans for 1977-1978, some £755m. fell on capital items and only £215m. on current expenditure: a large psrt of the balance consisted of tha sale of British Petroleum shares. The result of this and earlier cuts is that current spending on goods and services in real terms is projected to rise by 1.3 per cent. between 1975-76 and 1977-78, while capital spending is projected to drop by a quarter, even after taking account of the one-off cut resulting from the BP sbare sale.

The contrast is even greater in certain areas—for example, local authority capital spending is projected to decline by 37 per cent. in real terms over the same period.

A fresh look is now being taken at this balance, though this certainly does not mean that there will be an early return to anything like the ratio of capital and current items in the free-spending early 1970s. But there is obviously some scope for a re-adjustment even in the plans for 1978-79.

The other major imbalance Involves the rapid growth of transfer payments: current grants to individuals bave risen by 32 per cent. in real terms in the last five years, compared with an increase of under 20 per cent. in public spending overall. Moreover these grants are projected to rise by 7½ per cent. in the next two years. In part this reflects the rise in the number of pensionera and other recipients of social security benefits, such as the unemployed.

The money cost of the benefits has, bowever, been increased by the Government's commitment to raise pensions and other long-term benefits in line with whichever is the higher of the rise in prices or earnings and to increase the main sbort-term benefits just in line with prices. This has led to the inclusion of a substantial estimsting margin in the forward projections in the White Paper.

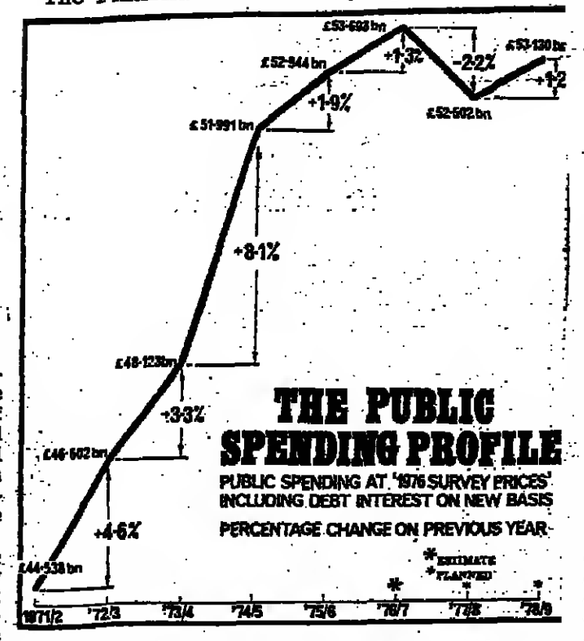
Reduce waste

Tressury Ministers bave made no secret In various speeches of their concern about the rise in transfer payments at a time when spending on goods and services had been beld in check. But attempts to alter the basis of index-linking have so far met with strong political opposition, while efforts to check the rise in bousing subsidies, up an eighth in the last year alone, are stuck in the morass of the long-awaited Housing Finance Review.

No radical changes are likely to occur in the immediate future in either of these areas, but the Treasury is taking sdvantage of the slightly calmer conditions this year to look again at tbe internal operations of its planning and control system. Increased attention is being given to a drive to reduce waste and to increase the valne for money obtained from spending. After all, each of the administrative civil servants on the public spending side is responsibe for £210m. a year. Those with experience of the private sector argue that the public sector stil has a long way to go in the qualitative assessment of its output rather than just in the better control and monitoring of its input in the form of expenditure.

There is also now time formon thought sbout suggestions that projections of revenue should be made for the years ahead alongside those for expenditun, in order to provide a clearer idea of the Government's borrowing needs. There are stil clearly official reservations about this—even though it bis been adopted in a number of other countries and hss ben urged for consideration by the Expenditure Committee. There have also been calls—for example, from the Public Accounts Committee—for maor changes In the present system of Parliamentary estimates and Commons' scrutiny of expenditure to take account of he extension of cash limits.

But even If it is now possible to consider these longer-tem issues, there are still seveal potential problems in the short-term. On the one hand, there is the worry that public spending will undershoot planned levels — as it did by a sizeale margin in the financial year just ended—and so further retard the economic recovery. The contrasting worry concerns the strains on cash limits in the context of a looser and mire flexible Phase Three of the pay policy. At present, however, public expenditure appears clearly under control and a fair slice of the credit must go to the team under Mr. Leo Pliatzky, the Second Permanent Secretary at the Treasury in charge of the public spending sector who is due to take over as Permanent Secretary of the Department of Trade later this summer. So perhaps the Treasury now deserves one-and-a-half, if not two, cheers.



PUBLIC SPENDING AS % OF GDP

	1965–66	1975–76	1978–79
At market prices	35½	46	42–3
At factor cost	40½	51½	48
Old Treasury definition at factor cost	45½	58½*	
Direct expenditure on goods and services at market prices	21*	26½	23–4
As above at factor cost	24*	30	27

* Approximate

MEN AND MATTERS

Spillers seek wisdom and stature

Over the last few years Spillers, the millers to dog food group, have pusbed up turnover considerably, largely througb a series of takeovers, but profit growth has been much more sluggish. Now chairman Michael Vernon has announced a management re-organisation. This will bring in four non-executive directors, three from outside the organisation, create three new co-ordinating divisions, and centralise management at board level while increasing tbe level of personal responsibility in the new chain of command.

Up to now Spillers bas been somewhat of a management anomaly In that the board bas consisted entirely of executive directors responsible for their own operating divisions, a tradition inherited by Vernon when be became cbairman in 1968, a post held by his father Sir Wilfred Vernon between 1954 and 1966.

The trouble with that arrangement, however, was that the board "tended to over-manage and under-direct." It meant that directors tended to promote their own patcb at board level and not enough time or effort was devoted to overall group strategy or targets. The net result was that lines of individual responsibility tended to get blurred while a general lack of co-ordination meant thst Spillers bas failed to make the most of the synergetic possibilities thrown up by the last 15 years of takeovers.

Vernon himself was converted to the idea of non-executive directors from outside by his own experience as non-executive director of EMI and is now looking for three men of "wisdom and stature" to open up Spillers' horizons. The fourth man is Harold Philpot, who is already a Board member, having joined when Spillers took over his company, British Feeding Mills.

The re-organisation is also linked with Vernon's plens to more tban double Spillers overseas interests over the next five years. Overseas turnover is currently around 10 per cent., mucb smaller than most comparable food groups, and the appointment of Derrick Hornby to the newly created international division aims botb at co-ordinating existing overseas interests end seeking out acquisitions and other investment opportunities abroad.

Over the yeers Spillers has become one of the biggest names io animal pet foods, aad this is an area of unsuspected sophistication, according to Vernon. One of the main problems apparently is bow to produce pet foods which appeal not only to the aoimal which eats them but also the nose of the pet lover who opens the tin. As Vernon put it "my dog loves rolling in aod eating cow pats. If we produced a cow-pat flavoured dog food it might become a best seller—with the animals, but how could we sell it to the dog's owner?" There is more tban meets the eye in those meaty chunks sdvertisements.

Low-key Leonid

Publisher Robert Maxwell believes he has got another potential best seller on his bands—none other than the official biography of Soviet leader Leooid Brezhnev, currently selling in its millions in tbe original Russian version in the USSR. The book has been produced by Brezhnev's staff with his co-operation and Maxwell is planning a "modest" first edition of 20,000 copies for the autumn which, he believes, will be required reading for the media, public libraries and all those interested in one of the two most powerful men in the world "with a finger on the nuclear trigger."

Is it the atandard hagiography

of a Soviet leader I asked Maxwell. "We do not publish hagiographies" was the somewhat aggrieved reply. "In fact I have been impressed by its low key naturc," he added. How is Stalin treated in the book? I asked, but it seems that Uncle Joe does not figure too prominently. Maxwell explained, "Brezhnev was not too closely involved with Stalin, he was really on the periphery then, unlike Khruschev for example." As for Kbruschev, well he loo is mentioned in the book, but not apparently at any great length. The Soviet invasion of Czechoalovakia is dealt with "but only tbe facts, as Brezhnev sees them, of course," and much the same can be said for the Brezhnev doctrine itself.

The biography is, in Maxwell's words, "a popular book." It tells of how young Leonid was born in bumble surroundings and grew up to be leader of a super power, and dctails his war servire as a political commissar "amongst other tbings."

According to Maxwell it is the first time that such a book has been published hy a western publisher, rather than through communisl channels. The price paid for the privilege is "a trade aecret."

Return of the beer-pump

One incidental effect of the attention recently devoted to traditional beers is that demand for lhe old beer engines bas been outstripping supply.

So mucb so tbat Distillers Company, better known for supplying about half the Scotcb whisky we drink, bas decided to get back into the beer pump business.

Tucked away in what Distillers calls its Cellar Equipment Division is an ancient company called Hudson and Dodsworth which used to make a splendid beer engine called the Invincible—you can still aec some in action in spite of the fact lhat the last ones were produced many years ogo.

But the new beer pump, although Il sports one of those lovely handles behind which a barmaid always looks that much better, is a product of 1977 technology. It should keep the beer in better condition, keep It cooler (witbout using refrigeration of course) and be easier lo clean.

Distillers developed its pump with tbe help of Trumao, the Grand Metropolitan brewing subsidiary, which needed it for a new traditional, cask-conditioned beer it is to introducc to 100 of ita pubs nexl month—a beer called Truman Tap Bitter.

The hope is that around half of Truman's 900 pubs will eventually take the beer and all of them will need a new pump or two. At between £90 and £130 a time, exclusive of fitting costs, tbia Is useful business.

And once Truman is salis6ed, Distillers can offer the pump to other brewers. "We expect it to find a very broad market," said Tony Garthside, managing director of the Cellar Equipment Division.

Observer

POLITICS TO-DAY

BY DAVID WATT

Pros and cons of political summitry

"NOTHING COULD be more fatal than the habit (the at present fatal and pernicious habit) of personal contact batween the statesmen of the world. It is argued, in defence of this pastime that the foreign secretaries nf the nations 'get to know each other.' This is an extremly dangeroua cognisance. Personal contact breeds, inevitably, personal acqualntance and that, in its turn, leads in many cases to friandliness: there is nothing more damaging to precision in international relations than friandliness between contracting parties. . . This is no mere paradox. Diplomacy ia the art of negotiating *documents* in a ratifiable and therefore dependable form. It is by no means tha art of conversation. The affability inaeparable from any conversation between Miniaters produces allusiveness, compromises and bigb intentinna."

The author of this passage, Sir Harold Nicolson, wrote it in an agony of diaillusionment after the Versailles Conference where President Woodrow Wilson's personal diplomacy had proved sucb a disaster. But it is worth reviving the quotation as the world prepares for the Downing Street economie summit in two weeks time, because it encapsulates an ancient* and reapectable strand of thougbt which has certainly not disappeared from the minds of members of the professional diplomatic community, and probably deserves more consideration than present fasbion allows it.

It would not be difficult to make a case along these lines against the Downing Street meeting. The colloquy will take seven tieads of government away from their desks and their domestic political responsibilities at a critical tima and catapult them into unfamiliar surroundings liable to warp their judgments. It will not be poaslble in the time available to discuss the matters in hand in any but the most general terms and yet they are matters —international monetary reform, nuclear anergy, arms control and the commodity markets —where everything turns on the details.

Moralising rhetoric and brute force of personality rathar than the accommodation of conflicting interests will be the order of the day. Public expectations will be aroused which cannot, in the nature of things, be met and which will have to be frantically damped down by the publication of an anodyne communique 99 per cent. of whicb has already been composed aod agreed between high officials in Washingtoo this week. The whole exercise, it can be argued, is therefore likaly to be profitless at best; and at worst dangerously deceptive.

Normal means

A quick look at the previoua two meetings in this series — the Rambouillet summit of November 1975 and the Puerto Rico summit of last June — doea not necessarily invalidate thia critique. In retrospect, one can see that neither meeting did aoy positive harm, but in spite of all the ballyboo at the time, neither achieved anything very solid either — or at any rate anything that could not have been achieved more easily by the normal means. Rambouillet endorsed the sale of gold by the IMF, for instance, but this had been settled by the technicians already and its full announcement might have been made earlier if it had not been thought necessary to reserve something for tha summit to "agree" about. Puerto Rico enabled President Ford and Dr. Kissinger to have a final international fliog in front of the Amarican electors but produced nothing at all.

Similarly, the Downing Street meeting will presumably endorse a new IMF agreement on exchange rate policies. It will likewise be attended by mnch cordial razzmatazz from wblch Mr. Callaghan, as the courtly hoat, and Mr. Carter, as the gracious chief guest, will expect to darive some political advantage. (Let us not forget the presidant's half-serious remark during the election campaign: "Whenever I run into problems with the Congress, I'm going to have to go abroad.")

But can we expect anything from tha encounter othar than a lot of private misunderstandings and public cliches? It is all very well to say, in the worda of tha Rambouillat communique "We are confideot that our present economic policies are compatibla and complementary and that recovery is under way," or "a co-operatve relationsbip and improved understanding between the developing nations and the Industrial world ia fundamental to aach," but, as the subsequent 18 montba have shown, it is quite another thing to turn this unexceptionable consensua into practical progress. And in any caaa, do we need this kiod of meating to bring fortb thesa bland mice?

The answer to this question ia really the modaro answer to tbe Harold Nicolson thasis about diplomacy. And it is "yes." We probably do need this kind of meeting precisely for tbe purpose of propagating, in the first place, a number of virtuous clichés and, if possible, a number of bome truths of a less obvious kind. Nicolson, writing in the 1920s, did not make sufficient allowance for wbat bas become a more and more critical factor in the conduct of foreign relations—namely, the existence in all the Western countries of a powarful public opinion sufficiently sopbisticated to percelve a connection between international events and its own well-being.

The discreet, upper-class diplomatists of nineteenth-century Europe, padding abont the Chanceries and exchanging confidences in beautifully modulated French accents, did not, of course, have everything their own way. Opposition of a oarrow but meoancing, kind could be aroused where manufacturing and commercial interests were threatened aod occasionally on a wider scale the passions of the mob could be inflamed by some issue of national honour or prestige. But on the whole for more than half a century after Waterloo the politicians and professional diplomats of the day were able to bahave as if foreign policy waa a matter which they could handle in the light of their own judgment and a maoagaable range nf domestic pressures.

All that has now been swept away, and indeed had already crumbled almost to nothing by 1919. Woodrow Wilson's "democratic" approach to diplomacy was not an aberration, as Nicolson may bave supposed, or aven a mistake. It was a necessity for him. It is arguable that if he had stayed at bome a bit more, he might bave had a better cbance of stemming the tide of isolationism in the Congress but he evidently believed that he could dramatise to the American people by his own presence in Paria their stake in the shape of the post-war world. The gamble did not come off for a variety of complicated reasons; but so lnng as American public opinion was worth influencing (and it was) it is hard to believe that he was wrong to come to Paris at all.

Wilson's problem was bad enough 60 yaars ago to defeat him. For an American President, it ia far worse to-day and it has invaded the preserve of every political leader in the old world as well. A summit meeting ls a useful, perbaps even an essential, tool in the hands of a competent politician for dealing with it.

Mr. Callaghan (centre), the courtly host, flanked by two gracious guests, Mr. Carter (left) and Herr Schmidt.

The seven men who gather at Downing Street on May 7 are already well aware of the problems that confront them—ifla tion, unemployment, the energy crisis, nuclear proliferation, the growing military and ideological pretensions of Soviet Russia, the increasing and unpredictabla power of primary commodity producers. They are also well awara of each other's arguments, political difficulties and, if it comas to that, personalities. Nothing much therefore that any of them can say in private is going to come as a surprise or an enlightenment. Yet everything they agree publicly, bowever banal, and everything that they do and the very fact that they are meeting at all gives them a chance indlvidually and collectively to convey aomething dramatically to their own domestic opinion.

The most important message is in fact the tritest. It is the message that all seven are agreed on what they would like to avoid—on the wickedness, if you like, of sin. This ia tbe point of those endless communiquéa and declarations. Just as a religious litany proceeds frnm the psychological assumption that if you say over and over again in public that you disapprove of this or that course of action, you are lesa likely to perform it in the future; so the summit meetings proceed on tbe assumption that if the leaders of the western developed world stand up and cbant in unison, "we believe in open, democratic society, dedicated to individual liberty and aocial advancement; in interdependence and constructive dialogue; in ateady economic growth; and in free trade for ever and ever, Amen," it will bave some effect on tbeir propensity to virtue thereafter. It will also commit their public opinion at bome to virtue as well, and because the cnmmitment was made in a palatable ritual form it will not raise immediate political reactions.

This sounds a childish exercise, perbaps, but it seems probable that incantations of this kind bave had a real effect in enabling politicians to contain the domestic pressures for protectionism In all the western countries during the recession so far. There is the more general point, moreover, that when people see on their television screens the laader of their own country hobnobbing amicably with others, in what is evidently very high-powered dialogue, they conclude that there is some offsetting advantage for any national sacrifices they may have to make in order that virtue may flouriah.

The question, of coursa, is whether any of the leaders will go further than the rather passive exploitation of the opportunity implied here and tiave the courage to use tbe dramatic occasion for a more direct confrontetion of public opinion with the real issues. How many can we expect to tell the world from thia platform about what must be dona to limit the growth of expectationa in the West, if the political and economic problems arising from tha present distribution of global resources are not to angulf us all? Mr. Carter is trying in a way to dn aomething of the kind and be will obviously use the summit to heighten the effect of his appeal. So far, the Europeans aod the Japanese show little sign of seizing the same opportunity to spell out in genuinely clear terms, the implications of our predicament. Tha truth ia that there is nothing wrong with commuoication between atetes or their leeders at present. The gap to-day comes between the rulers and the goveroed wbo bave the power to frustrate the best devised agreements of princes.

**The fifteenth century diplomatist, Philippe de Comines, wrote. "Two great princes who want to establish good relations should never meet each other fore to face."*

Letters to the Editor

Benefit all the staff

From Mr. J. Harrington.

Sir,—In the debate on contracting-out of the State Pension Scheme the most ignored persoo bas been the one who is primarily intended to benefit—the employee. If the bulk of one's employees don't benefit from a course of action regarding the provisioo of tbeir pensions then that course is wrong. If any of one's employees lose out through the applicatnn of a coursa then that course la wroog.

The argument for contracting-out does not stop at tbe cost to the employer of providing the pension scbeme, It also covers the aize of the benefita, the tax position of the employees and the cost to the employees. The bulk of employees cbange jobs at least once during their working lifetime. Although it is possible to transfer pension liabilities oo cbanging jobs the facility ls very rare and can safely be ignored in the private sector. If an employee In a contracted-out scheme changes jobs before be reacbes 51 (and this is the lowest age; for people wbo are now 45 or over the age is over 60) the size of his pension—even if be bas been in a full 60ths scheme — ia likely to be no greater than would bave been provided if be bad not been contracted-out.

Many employees do not pay tax. For these there is no "tax relief" beoefit and if a scbeme is going to cost them over 2½ per cent. contributions at present then it is costing them more than their reduction in National Insurance contributions would be. In later years this 2½ per cent. figure will drop. If an employer is introducing a contracting-out scheme with the intention of cbarging them 2½ per cent. contributions or more then many employees will be worse off than if they had contracted-in. I doubt if the machinery for collecting contributions and accounting for them could justify itself for contribntiona of lesa than 2 per cent.

So, in a year in wtiich wage increases of 10 per cent are likely (and likely to be felt too small) the only way in wbicb an employer can efficiently be confident tbat be ia benefiting all bis staff by contracting-out of the Stale scheme ia to introduce a non-contributory scbeme. In that way, even if the pensions of many of them do not turo out to be greater than wbat would bave been provided if contrected-in, at least every employee will always benefit from tbe reduction in hia NI contributions.

J. R. Harrington.
Flat 33,
24, John Islip Street, S.W.1.

Judgment of the market

From the Assistant, General Manager (Pensions), Legal and General Assurance Society.

Sir,—I am not clear what inference Mr. R. Sloan expects to be drawn from tbe Legal and General quotation figures wbich he included in his letter of April 26. He knows, of course, that the form of quotation used is that requested by employers acting in conjunction with their pension advisers, wbo include, for a large proportion of the Legal and General's business, the major fee-charging consultants. Tbus the figures be is using represent the judgment of the market.

These figures indicate the main quotation requested. Many of the cases also included for comparison quotations on an integrated basis, since the Legal and General is quite happy to operate a streamlined integration system. But employers bave decided overwbelmingly against this option, as is shown by tha latest figures for final decisions wblcb we bave received.

Contracting-out	123
Living-on-top	35
Integrated	2

This experience appears to be general throngh the market.

Alan Firth.
Temple Court,
11, Queen Victoria Street, E.C.4.

British and better

From Mr. H. Fletcher.

Sir,—Mr. Easton (April 25) bas a point. There is, bowever, too much knocking by Britisb "informed commentators" of Britisb goods. As an engineer I try to evaluate my domestic purchases for reliability, quality and value for money. Invariably the ontcome has been that I bave cbosen Britisb goods. My TV, transistor radio, car and Hi-Fi are all Britisb manufactured. I confirm my choice as far as possible by observing the condition of older goods, which is easy in the case of cars.

Japanese cars of five years old are not looking very clever; except at very high prices their "Fi" is not "Hi". French domestic products (bardware and clothes) are pathetic; if my car bad given me one quarter of the mechanical troubles reported on a Swedish model in a waekly magazine long-term test I would bave been very bitter about it.

Our design and manufacture are good, but is it worth anybody's while making the stuff?

H. Fletcber.
14, Dunedin Drive,
East Kilbride,
Glasgow.

Paltry reserves for energy

From Mr. J. Goodland

Sir,—Ray Dafter's summary of the Department of Energy "Brown book" on the development of the oil and gas resources of the U.K., 1977 (April 27) containa tha astonishing statement that 78 per cent. of the natural gas from the northero North Sea was wasted in 1976. This is an inconcelvable waste of primary energy, and seems likely to persist for several years.

If the table of estimated natural gas reserves is on a sfmllar basis to tbat of oil, the aggregated total will give an entirely false impression. Surely, the "probable" and "possible" reserves should be baived (as they bave a more, or less, than 50 per cent. cbance of being "proven"). Subtract the gas reinjected or flared, the possible total is likely to be less than balf of wbat would be ostensibly available for the market. Subtract the quantities already on contract by the oil companies for non-energy use, and I suggest that reserves for the energy market will be paltry.

J. H. Goodland,
Down House, Pyleigh,
Tounton, Somerset.

Electoral reform

From Mr. J. Arnold

Sir,—Mr. Holme (April 14), writing from Belgravia, claims that electoral reform will maiotain strong local lioks between MPs and coostituencies. He omits to explain bow. At present MPs are solely responsible for the smallest electorate possible. Mr. Holme's 4-5 member constituencies wlth electorates of more tban 300,000 would be unserviceable. In the eveot, MPs would come to rely on Party machines for votes, and pleasing the bierarchy for candidatures—that is, more remote from the people.

Eveo Mr. David Steel has admitted that be is against multi-member constituencies, the basic requirement of proportional representation (in prospect of being the only Liberal MP for a constituency stretching from the English border to the outskirts of Edinburgb, and from the North Sea to Dumfries).

Mr. Holme's desperation to prove that our preseot clectoral system produces more parties leads him to count two individual MPs as two parties. I would be inclined to call tbem independents — a refreshing possibility under our present system—practically impossible under "electoral reform." My point was that bis system eliminates independents and multiplies real parties, giving rise to coalitions, perty manoeuvring, bole-in-the-corne deals, trading of policies ano complex mechanics — all very exciting for politicians and salo observers, but incomprehensibl to the ordinary voter.

Tbougbts from Belgravia are not to be scorned, but bow remote from the real electorate does ooe need to be to take opinion poll answers to leading questions as gospel. Perbaps Mr. Holme migbt cere to pose the question "Do yon wisb to ba represented io Parliament by an MP solely responsible (tbet is, unable to pass the buck) to the electorate of the smellest local area possible?" The overwbelming affirmative would no doubte kill any case for "electoral reform!"

Mr. Holme and I bowever are agreed in our dislike for uorepresentative extremists, the success of wbom arises from the abject failure of Labour moderates. However, nothing be proposes will cbaoge interoal Party battles. Statistical games in Belgravia are no substitote for campaigning for moderate policies among tbe electorate and within the Parties.

Jacques Arnold.
Arenida Angelica 2205—12.o,
01228 Sao Paulo, Brazil.

Forecasting sterling's trend

From the Chief Economist, James Capel and Co.

Sir,—Mr. Barnato's letter (April 22) on the application of inflation differeotials in forecasting sterling's future trend is constructive. Too often, key economic matters are appraised by ecooomists long after they cease being of siguificance. In this instance, a live economic issue ls being considered at a time when it is of importance to tbe economic acene.

A factor stressed repeatadly by Mr. Baroato ia the need to use pnrchasing power surveys as indicators of appropriate base exchange rates in currency forecasting. It is important to appreciate that there are grave dangers in using this approach. This is because internatioonal purchasing power surveys take into account all goods and aervlces that constitute a country's GNP and not jnst items that enter into international trade. The pnrchasing power parities emerging from these aurveys are by no means measures of equilibrium exchange rates and cannot be relied upon as indicators of over-veluation or under-valuation for foreign trade analyses. This applies particularly to the U.S. dollar as U.S. foreign trade accounts for a very small proportion of the country's GNP.

In tbe light of tbe above, Mr. Barnato's contention that purchasing power surveys prove the U.S. dollar to be 30 per cent. over-valued in relation to sterling at end-1949 is misleading. By their very nature, there is no way that such surveys could prove the U.S. dollar (of all the major currencies) to be overvalued by 5 per cent. or 10 per cent. or 30 per cent. on an international trading basis.

I maintain tbat my cboice of end-1949 (April 18) remains a realiatic base date on whicb to bave assessed tbe impact of export price differentials on the seven leading trading currencies. Even if the dollar waa overvalued in 1949 (wbicb I do not accept), the key factor in my own investigation ia tbat the six remaining curreocies under consideration (sterling, D-mark, French franc, Japanese yen, Dutch guilder and Swiss franc) were realistically valued vis-a-vis each other after the major currency realignment in 1949. Interestingly enough, the results of my investigation (from comparing export price performance since end-1949) produce notional exchange rates for the seven leading currencies wbicb are—by and large—within 6 per cent. of their actual spot rates. Such a minor discrepaocy appears remarkable after some 27½ years, even thongh mucb of the convergence has taken place since end-1971 wben excbange rate flexlbility was introduced.

Eqnally, I feal that my selection of early 1958 and carly 1962 as base dates when concentrating solely on the U.S./U.K. exchange rate relationship is appropriate. The dollar premium is undoubtedly a narrow market, but it ia also a fairly reliable guide of prevalling sentiment in capital markets. The absence of a dollar premlnm in early 1958 and 1962 points to there being nothing untoward In the financial scene. Further, in both these periods the balance of paymeots in the U.K. and U.S. was souod and the respective economies were in broadly comparable stages of the economic cycle.

Finally, regarding the choice of price indices in applying inflation differeotials, Mr. Barnato suggests the GNP deflator as an alternative to retail pricea. The problem bere is that (unlike statistics on retail and export pricea) data on the GNP deflator is only available after a cooaiderable time-lag. This lessens the practical usa of the forecasting exercisa in the sbort and medium term and prevents the regular monitoring and updating of currency forecssts (based on inflation differentials). In my own currency investigations, I have used export prices when forecasting tbe excbange rates of seven major trading oations and both retail and export prices wben concentrating aolely on sterling and the U.S. dollar.

Jeffrey Mizrahi.
109, Tudor Drive,
Kingston-on-Thames, Surrey.

Jam today and tomorrow

From Mr. G. Hamilton.

Sir,—Now tbat April's here the recent correspoodeoce oo caravaos is generatiog more interest aod, clearly, in some cases, more beat. It bas often seemed to me thet these vehicles, unkindly referred to by many as mobila road-blocks, offer the only way I know of ensuring jam to-day and more jams tomorrow—especially at holiday periods.

G. J. Hamilton,
22, Chestnut Avenue,
West Wickhom, Kent.

To-day's Events

GENERAL

Vesting day for British Aerospace, the netionalised aerospace organisation with headquarters at Weybridge, Surrey.

Two-dey meeting of International Monetary Fund interim committee ends in Washington.

Mr. Michael Foot, Lord President of the Council, opens Tafarnaubech steelworks, Ebbw Vale.

Port Talbot strikers meet.

Phillips and Drew conference on Industrial Democracy after Bullock. Ironmongers' Hall, Aldersgate Street, E.C.2.

Mr. John Methven, director general, Confederation of British Industry, addresses the National Association of Pension Funds Conference, Torquay.

Mr. David Ennals, Secretary for Social Services, speaks at annual dinner of Chester Constituency Labour Party, Chester.

CBI ecooomic situation committee meets.

Regular Forces Employment Association annual report.

Foundry 77 Exhibitioo, Netional Exhibition Centre, Birmiogham.

Royal Society of Health Conferenre ends, Eastbouroe.

Last day of Crown Art Exhibition, Reed House, Piccadilly, W.

PARLIAMENTARY BUSINESS

House of Commons: Private Members' Bills.

COMPANY RESULTS

Gill and Duffus Group (full year). J. Hepworth and Son (balf-year).

COMPANY MEETINGS

Blagden aod Noakes, Connaught Rooms, W.C., 12. Charles Clifford Industries, Pedmore, Stourbridge, 4. English Property, Dorchester Hotel, Park Lane, W., 10.30. Dufay Bitumastic, Winchester House, E.C., 12. Lambert Howarth, Burnley Crest Motel, 12. Mixconcrete, Little Billing, 11.30. Nu-Swift, Hotel Inter-Continental, W., 3. George Oliver, Braunstone, Leicester, 12. Reliable Properties, Winchester House, E.C., 12. Rhodesian Corporation, 25, City Road E.C., 11. Francis Shew, Manchester, 2.30. Solicitors' Law Stationery, Savoy Hotel, W.C., 12. George Spenrer, Basford, Nottingham, 12.

CITY LUNCHTIME MUSIC

St. Stephen Walbrook, Christopher Newton, organ, 12.30 p.m. St. Mary Woolnoth, Singers' Workshop, 1.10 p.m. Church of the Holy Sepulchre, stereo recorded music—Brahms, 1.15 p.m.

SPORT

Swimming: Three Nations International, Coventry. Snooker: World Professional Championships, Sheffield.

COMPANY NEWS + COMMENT

Geo. Wimpey advances to £44½m.

AN ADVANCE from £38.99m. to £44.49m. in group pre-tax profit is reported by George Wimpey and Co., the building and contracting concern, for 1976.

Work carried out showed an increase from £542m. to £652m., including £78m. (£54m.) as the attributable share of associates work.

Mr. R. B. Smith, chairman, points out that having regard to SSAP9 the basis of accounting for work carried out has been changed by including profits, where justified, on work in progress, and by providing for expected losses on contracts in progress.

Corresponding adjustments have been made to the work in progress valuations at December 31, 1974 and 1975, so that the revised 1975 results shown ere on a comparable basis to those for 1976. The reported profit for 1975 wes £35.43m.

The group continues to be faced with a decline in demand in some sectors of U.K. business and the consequential effects of keen competition, but house sales are running at a reasonable level and the level of work overseas is increasing, reports the chairman.

Earnings per 25p share ere shown to be up from 7.4p to 7.6p and the dividend is raised by the permitted maximum—from 0.55426p to 0.60969p.

	1976 £000	*1975 £000
Operating profit	41.628	33.688
Net interest receivable	1.454	3.008
Share of associates	1.411	2 261
Profit before tax	44,493	38.995
Taxation	24.378	20.251
Net profit	20.115	18 744
Minorities	670	†254
Attributable	19.446	18 998
Extra-ord. debit	—	1.290
Dividend	1.561	1.419
Retained	17,885	16,329

* Revised. † Loss.

● comment

It is a measure of Wimpey's conservative views on taking profits on work-in-progress that, by complying with Standard Accounting Practice No. 9 it has boosted its 1975 profits by a tenth, whilst this only added an extra 1 per cent. to Laing's profits earlier this week. It will be even more interesting to see what impact it has had on the balance-sheet. Apart from the accounting changes, Wimpey's profits are still moving ahead nicely, with a 24 per cent. rise at the operating level. However, the growth in pre-tax profits drops to 14 per cent.; interest received has halved (reflecting Wingate's heavy financing costs and higher overseas borrowing) and associates' income is down by a third, primarily because the Saudi Arabian joint venture moved into the red.

Inevitably, Wimpey's important U.K. housebuilding side has been hit by the recession. Sales of local authority housing were down by almost a third but unit sales of private houses were maintained at 1975 levels. Overall the U.K. workload is at present between 10 and 15 per cent. down on last year and it is up to the overseas side, currently accounting for some 30 per cent. of turnover, to make the running. Canadian profits were static in 1976 but Wimpey has been very active in tha lower Gulf and its international order book is slightly up on last year. At 58p the yield is 1.6 per cent.

INDEX TO COMPANY HIGHLIGHTS

Burrell recovers: rights

A jump in sales hy 65 per cent. to £8.6m. boosted pre-tax profit for chemical colours manufacturers Burrell and Co. from a depressed £68,917 to a record £0.91m. Export sales were douhle at £3.2m.

Trading in the current year has been satisfactory with significant increases in first quarter sales, the directors state. In announcing a one-for-five rights issue at 9p per share.

Stated earnings per 5p share were 2.04p (0.12p) and the net dividend is lifted to a maximum permitted 0.66p (0.6p) with a final of 0.36p.

The rights announcement is accompanied by a forecast of a 1.4p gross dividend total for 1977 for which Treasury approval has been obtained. This would represent a 37.9 per cent. increase and at present basic tax rate is equivalent to 0.91p nat.

Capital expenditure during the year was at a record level of £0.42m. and revaluation of the rompany'a properties sbows a surplus of £0.43m. over book values.

A new warehouse was recently completed at Stockport where the expansion of the Azo pigment plant and the construction of a greatly enlarged effluent treatment plant is well under way.

Explaining the reasons for the rights issues, the directors say that in the current year the company plans to invest substantially more than it did in 1976 in new projects, the majority of which have already been anthorised and are in progress. In addition, working capital needs have increased considerably particularly as e result of the rise in raw material prices which has far exceeded inflation.

	1976 £	1975 £
Sales	8,610,739	5,526,664
Trading profit	999,345	153,535
Interest	89,658	86,283
Share of associates	—	1,330
Pre-tax profit	909,657	68,917
Taxation	420,234	33,417
Net profit	479,373	33,500
Preference dividend	6,090	6,090
Ordinary dividends	152,560	138,660
Retained	320,523	†111,190

† Deficit.

● comment

A sharp upturn in demand for printing ink pigments at the beginning of 1976, followed later by a paint industry uplift, had the obvious effect of profitability in a volume-sensitive company like Burrell. Profits rose out of the 1975 doldrums to a level 26 per cent. above tha previous record in 1973. Demand has since flattened out again but volume is still runing within 10 per cent. of 1973 levels, and tha rompany is in a position to expand capacity as a result of the £650,000 spent on plant in the past two years. Burrell has taken the opportunity to make a rights issue and to forecast a 38 per cent. rise in this year's dividend which will lift tha yield from 8 per cent. at 13p to 11.4 per cent. ex-rights. The proceeds are earmarked for financing the coming increases in working capital this year (1976 increases were met from cash flow) and for the £700,000 capital expenditure programme. It will also provide a wider equity base to support any gearing up needed as the company looks for acquisitions to broaden its trading base.

Increase at P.C. Henderson

AFTER AN advance at halfway from £324,000 to £517,000, the headway of sliding door gear manufacturers, P. C. Henderson Group was checked in the latter half due to steel and aluminium price rises and a further decline in the building industry and taxable profits for the year to February 26, 1977, emerged ahead from £1.1m. to £1.38m.

With a change of the company's basis of stock valuation to include overheads taking effect from the slart of thc current year, profit for the period was increased by £58,000.

The directors say that the satisfactory performance was due largely to the continued concentration on overhead control in the the U.K., coupled with substantial sales growth overseas.

Sales of the companies overseas subsidiaries, some of which achieved improved profits, as well as direct exports accounted for oearly half of the group's total activity.

The profit margins following the stock valuation charge was 8.1 per cent., and on a comparable basis to 1975-76, 7.8 per cent. against 8.3 per cent.

Stated earnings per 10p share on the basis change are shown as 13p, and on a basis comparable to 1975-76, 12.4p, against 11.2p.

The dividend is lifted to 3.9p (3.546p) with a final of 2.5p net, the maximum allowed. An additional dividend may be paid if the rate of ACT is reduced.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Anglo Scottish Inv. ... int.	0.6t	July 1	0.61	—	1.5
Auto'd. Security (Hldgs.)	0.49	—	—	0.65	—
Bordar Breweries	2.28	July 6	2.07	3.14	2.85
Boustead	0.8	—	Nil	1.5	0.4
British Assets ... int.	0.9	July 1	0.73	—	1.6
British Vending	Nil	—	Nil	0.46‡	0.42‡
Burrell	0.36	July 2	0.41	0.66	0.8
Common Brothers ... int.	2	June 3	2	—	5.2
Firmin and Sons	2.2	—	2.0	3.3	3.0
Gerrard National	4.82	—	5.15	7.31	6.65
Haden Carrier	5.05	June 17	4.34	7.8	7.09
Hamilborne	0.97	July 1	0.89	1.47	1.39
Helene of London	0.61	—	0.67	0.61	0.57
P. C. Henderson	2.5	July 1	2.28	3.9	3.56
Howden Group ... int.	0.93	May 6	0.93	—	3.28*
Lead Industries	3.26	—	2.97	5.59	5.09
P. and W. Maclellan	Nil	—	0.8	0.5	1.3
Marks and Spencer	2.48	July 15	2.25	9.8	3.45
McKechnie Brothers... int.	1.5	June 3	1.35	—	3.9
Minet	1.42	—	1.29	3.73	3.39
Office Electronic Machines	2.5	July 4	2.27	3.65	3.32
Peak Investments ... int.	0.5	July 27	0.5	—	0.65
Safeguard ... int.	1.0	June 17	1.0	—	3.1
Shiloh Spinners	0.89	June 16	0.89	1.64	1.64
S. Simpson ... int.	1.91	July 1	1.31	—	2.8
Steel Brothers	6.28	July 22	4.78	10.0	8.14
Vickers	5.29	July 4	4.74	8.79	7.99
Georga Wimpey	0.61	June 14	0.55	0.81	0.55

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Maximum permitted paid at interim.

Steel Bros. peak £4.8m. and 1-for-3 rights

A SHARP rise in 1976 pre-tax profit to a record £4.86m., an increase of 75.3 per cent., is disclosed by Steel Brothers Holdings, engaged in construction, foodstuffs and manufacturing. A rights issue of one-for-three at 220p per share to raise £2.93m. is proposed.

Excluding extraordinary debits of £0.29m. (£0.19m.), stated earnings per 50p shara are 63.26p (29.68p) basic, and 54.84p (25.28p) fully diluted to allow for preference share conversions and shares pertaining to two executive share schemes.

Since trading profits and operating assets are almost exclusively overseas the company is exempt from dividend restraint—the total is stepped up from 8.14p to 10p net with e final of 6.28p.

For the current year the directors anticipate a dividend total of not less than 12.5p on increased capital.

When announcing first-half profit up from £1.03m. to £1.41m. the directors said they expected a considerable improvement at year-end.

They report now that a satisfactory start has been made to 1977.

Trading profit includes a profit on disposals of fixed assets of £319,000 (£338,000) and a surplus on exchange of £512,000.

The attributable net profit was arrived at after deducting extraordinary. Items which include inter alia the provision for a further loss of £200,000 incurred in the Lebanon, £190,000 in respect of closing down costs at Kilsyth Australia and e profit of £159,000 from the sale of certain fixed assets in Canada—the decision to cease operations at Kilsyth was taken in the face of continuing losses with little prospect of early recovery.

Baring Brothers and Co., the underwriters, announce that the underwriting of the proposed issue has been completed. Brokers are W. Greenwell and Co.

	1976 £000	1975 £000
Turnover	86,980	62,572
Trading profit	5,954	4,192
Interest	2,317	2,117
Share assocs.	1,237	690
Profit before tax	4,864	2,766
U.K. taxation	370	867
Overseas taxation	1,349	769
Net profit	2,645	1,267
Extraord. debits	285	187
Minorities	340	290
Preacquisition loss	35	—
Attributable	2,036	803
Preference dividends	128	126
Ordinary dividends	322	283
Retained	1,585	594

● comment

Even when Steel's figures are adjusted for asset disposals and exchange gains, pre-tax profits are ahead by 45 per cent. reflecting particularly buoyant performances from foodstuff sales to the Middle East—profits are doubled at £3.2m.—and Canada, which is up 43 per cent. to £1.76m. But more exciting for shareholders is news that Steel has got round dividend restraint by virtue of the fact that 90 per cent. of earnings and assets are outside the U.K. With the 23 per cent. increase for 1976 and forecast for the current year Steel will be raising the 1977 dividend by 53 per cent. against that of 1975. The shares rose 35p to 325p where the ex-rights prospective yield comes out at 6.4 per cent., covered over three times on historic earnings adjusted for the rights. As for the £3m. of new funds that does little more than bring the borrowing level back down to the £17.7m. (net) of a year ago, against shareholders' funds in the region of £93.5m.

Office & Electronic up 20%

AFTER A rise from £0.71m. to £0.70m. at half time, pre-tax profit of Office and Electronic Machines increased from £1.49m. to a record £1.73m. during 1976.

Stated earnings per 25p share ere up from 11.73p to 13.76p and a final dividend of 2.5p net lifts the total from 3.32p to 3.65p.

The directors expect that 1977 will benefit from purchases by customers deferred from 1976, and the beginning of a general recovery. A good cash flow ensures that the resources will be available to finance the higher working capital likely to be required, they add.

For 1976 the increases of 19.75 per cent. in groun turnover and 19.55 per cent. in profit before tax are considered to be satisfactory in view of the prevailing economic conditions during 1976, they state. Progress has been achieved by maintaining the company's share of a restricted market at higher prices, with help from an increasing range of products.

● comment

OEM's margins recovered by over a third in the second half to 13.4 per cent. as sterling stabilised and tighter financial control became effective. This helped profits rise by 30 per cent. even though sales growth was slower than in the first half when profits were up only 7 per cent. OEM has had some success with electric typewriters where the market is beginning to improve: U.K. sales figures for all typewriters in tha third quarter of 1976 were down 40 per cent. in volume terms but up about a fifth in value—but there is a continuing switch from manuals to electrics, as indicated in the rise of 60 per cent. in volume imports of electrics. OEM has plans to introduce a new range of accounting machines from its supplier, Triumph Adler, part of Litton Industries. The U.K. company should continue to benefit as demand for office products improves, but this is not yet reflected in the shares at 65p where the yield of 9.0 per cent. is considerably higher than the sector yield of 6.1 per cent. OEM's p/e of 4½ is well below the sector average of 7.7.

ISSUE NEWS

SPIRAX—SARCO ACCEPTANCES

Spirax-Sarco Engineering announces that acceptances have been received in respect of approximately 96.7 per cent. of the shares offered by way of rights at 150p per share.

The new Ordinary shares not taken up have been sold by J. Henry Schroder Wagg at a net premium over the issue price of approximately 82p per share which will be distributed among tha shareholders to whom such shares were provisionally allotted, except that no payment will be made for any amount less than £1.

Other issue news—Steel Brothers and Burrell (this page).

LIG up £7m.–Imetal to increase stake

PRE-TAX profits of Lead Industries Group for 1976 rose from £13.65m. to £20.55m. after a midway advance of £3.91m. to £10.17m.

It is also announced that Imetal, a French company with interests in the non-ferrous metals field, which owned 15.1 per cent. of the company's ordinary capital in January, is subscribing for new Ordinary shares, to bring its holding up to 25 per cent.

It is proposed to issue to Imetal of 4,801,223 Ordinary 50p shares at a price of 150p per share, compared with a market value of 155½p per share on April 27, the date on which the subscription price was agreed.

The new issue will give total proceeds of around £8.64m. LIG will receive the subscription monies from Imetalin external sterling which, with consent of the Bank of England, will be converted into foreign currency and held outside the U.K. and used to consolidate and develop the overseas activities of the group.

LIG expects to continua its high level of investment in the U.K. and the issue will help tha financing of this by freeing resources thet might otherwise be required overseas.

CC

As en integral part of this issue it is intended, subject to unforeseen circumstances, to raise the rate of dividends for 1977 on the increased Ordinary share capital to 7.37p net per share.

The necessary consents to the ebove proposals have been obtained from the U.K. and French authorities, bnt the issue is conditional on confirmation having been received from the Office of Fair Trading that it is not the intention of the Secretary of State for Prices and Consumer Protection to make e reference to the Monopolies and Mergers Commission.

Imetal has declared that it intends to hold the new shares as a long-term investment but has no intention of increasing its holding beyond tha 25 per cent. that will be achieved by this issue.

Earnings per 50p share were np at 25.43p (17.74p) and the dividend is stepped up to 5.50p (5.09p) with a net final of 3.26p.

The directors say that in the current year, the costs of many raw materials and services have continued to rise, which has utilised more of the company's working capital.

Although some areas in which the group is involved have not had n particularly buoyant first quarter, there was some overall increase in the U.K. and in many of the overseas operations, and orders continue at an encouraging level.

● comment

After the interim trading statement, Lead Industries' year-end profits held few surprises. If anything thay were slightly better than expected; given the £1m. downturn in the second-half profits from Tioxide (of which half can be attributed to the setting-up costs of the Spanish operation). Ceramics performed well internationally and there was recovery in diecasting to give a fillip to U.K. profits. But the real interest is in the issue of shares to Imetal. The deal looks carefully worked out to benefit both sides (sweetening the remaining shareholders on the way with the promise of a 32 per cent. increase in the dividend, which raises tha yield from 5.5 to 7 per cent.). Lead Industries gets £8.64m. in foreign currency to invest abroad instead of having to make a rights issue at e discount and then going through the dollar premium. Imetal pays 180p for its extra 10 per cent. stake against yesterday's market price of 158p, but gets the full benefit of the increased yield on its original shares. (The reference to the Monopolies Commission is regarded as a formality only.)

Setback at Haden Carrier

SUBSTANTIAL LOSSES by two overseas subsidiaries were largely responsible for taxable profit slipping £0.76m. to £2.51m. in 1976 for building services and metal finishing engineering concern Haden Carrier. Sales were down 8 per cent. at £138.54m.

At halfway, when profit was down from £0.93m. to £0.71m. Mr. F. A. Pullinger, the chairman, said the two subsidiaries Societe Carrier in France and Air Conditioning and Engineering Company, in South Africa, had suffered from an acute shortage of orders which would lead to serious losses at full-time.

He now reports that drastic action has been taken by both companies. At Societe Carrier this has involved nearly £0.5m. in redundancy costs.

Looking ehead he says that e 33 per cent. rise in overall group orders and the action taken to reduce losses abroad, should lead to improved results in 1977.

The tax charge for 1976 is £1.385m. The directors say they have decided not to provide for U.K. Corporation Tax of £859,000, deferred as a result of stock relief, since in their opinion the provisions for deferred tax arising in earlier years and included in the balance-sheet are more than enough to cover any foreseeable claw-back arising from diminution in works-in-progress.

Stated earnings per 25p share on new basis of accounting for deferred tax are 15.5p but on the old basis only 4.4p (15.2p). A net final dividend of 5.045p lifts the total to a maximum permitted 7.795p (7.087p).

Cash in hand shows a marked improvement on the 1975 level, helped by the disposal of certain properties. Since the year-end, group liquidity has been further strengthened by the negotiation of a £3.2m. medium-term loan with bankers. Part of the proceeds will be used to repay tha balance of the £2m. unsecured loan stock at the end of June.

● comment

By jumping the gun on the impending relaxation of deferred tax regulations, Haden Carrier significantly enhanced its earnings (on a strictly comparable basis post tax profits would have been only £261,000 against £1.24m. in 1975). This paved the way for a maximum dividend increase, since on the old basis even a maintained dividend would have been uncovered. The move certainly caught the eye of the market and the shares finished the day up 19p to 103p for a p/e of 6.3 on earnings arrived at on the new basis. The dividend policy also drew attention away from the poor trading results, which included £1½m. losses in France and South Africa (in addition to £1.1m. terminal losses) and falling orders in the U.K. Only the American subsidiary, which is related to the motor industry not the construction industry like the other subsidiaries made good progress. This year is also likely to be difficult; losses (albeit at a lower rate) will continue in France; orders are continuing to fall off in the U.K. and South Africa is being run down. Still the company is making the right sort of moves by improving liquidity through property sales and lengthening its borrowings.

22% lift for Marks & Spencer to peak £102m.

PROFIT before tax of Marks and Spencer improved by £10.84m. to £98.88m. in the second half to March 31, 1977 to end the year at a record level of £102.45m. which is 22.3 per cent. above the previous 53-week period.

The U.K.'s contribution was £106.92m., up from £85.81m. Europe incurred a loss of £0.48m. (£2.46m.) after deducting the second year's proportion of pre-opening expenses amounting to £0.79m. and a Canadian loss of £4m. (£0.43m. profit) was arrived at after charging £4.65m. general reorganisation expenses, of write-downs of merchandise on reorganisation and of the immediate write-off of all remaining deferred expenses.

The company's holding in the reorganised Canadian group amounts to 58.5 per cent.—this company's share of that group's total loss is therefore £2.34m., £1.68m. less than shown.

Total sales of the group expanded by 18.2 per cent. to £1.06bn., the main features being a 21.8 per cent. increase to £811.48m. in foods in the U.K., an 86.1 per cent. rise to £14.31m. in Europe and a 63.3 per cent. advance in U.K. exports to £40.45m. including direct export sales outside the group ahead by 39.4 per cent. to £24.34m.

Stated earnings per 25p share are up from 5.74p to 7.54p—a final dividend of 2.48p net lifts the total from 3.4546p to 3.8p. If the rate of tax changes to 33 per cent. the final will be increased to 2.5563p.

	52 wks. 1976-77 £000	53 wks. 1975-76 £000
Group sales	1,064,837	900,923
U.K. Stores:		
Clothing, etc.	642,122	554,244
Foods	311,477	253,708
Europe:		
Clothing, etc.	12,881	7,337
Foods	1,431	334
Canada:		
Clothing, etc.	67,417	35,600
Foods	4,173	168
Direct exports	24,346	17,454
Trading profit	118,826	96,151
Interest payable	3,111	3,394
Depreciation	10,270	8,783
Profit before tax	102,445	83,774
U.K.	106,924	85,808
Europe (loss)	479	2,439
Canada (loss)	4,600	†425
Taxation	54,672	46,515
Net profit	47,773	37,259
Minority losses	1,254	81
Attributable	49,027	37,340
Preference dividends	73	73
Interim dividend	8,367	7,785
Final dividend	16,095	14,653
Retained	24,392	21,629

Excluding VAT, etc., but including exports. † Profit.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims: J. Hepworth, RCF Holdings.

Finals: Allebone and Sons, Brenner, Gill and Duffus, Hammerson Property and Investment Trust, Norman Hay, Lowland Drapery, Lyle Shipping, Mettoy, Raglan Property Trust, Royco, Whatman Reeve Angel, George M. Whiley.

FUTURE DATES

Interims:	
Avon Rubber	May 25
Dewes (G. R.)	May 2
G. R. Holdings	May 3
Scottish National Trust	May 24
Warner Estate	May 12
Westward Television	May 9
Williams (John) of Cardiff	May 10
Finals:	
Barlows	May 9
Coalite and Chemical	May 19
Corinthian	May 2
Elbar Industrial	May 4
More O'Ferrall	May 10
Rexmore	Jul. 3
Sainsbury (J.)	May 4
Selincourt	May 10
Tebbutt Group	May 2
Wire and Plastic	May 5

British Vending 67% ahead

A jump of 67 per cent. in pre-tax profit to £0.41m. was achieved by British Vending Industries for 1976. Sales, 25 per cent. up at £10m., expanded 10 per cent. in volume. The company's main operating subsidiary Automatic Catering Supplies was the most significant element in the improvement.

At midyear profit was up from £0.00m. to £0.14m.

Progress so far in the current year is very satisfactory and the directors are optimistic, Mr. J. T. Syrad, the chairman, tells members in his annual report. He also points out that the Board is actively seeking further acquisitions in the vending and disposable plastic and paperware fields while vigorously pursuing internal growth.

Stated earnings per 10p share were 2.03p (1.38p) before extraordinary debits of £0.17m. (£0.12m.). As before, there is no final dividend because the interim 0.4601025p (0.418275p) was the maximum permitted. Working capital was up £0.27m. (£0.33m.) with cash balances down £0.25m. (up £0.46m).

Nestle Company holds a 29.9 per cent. interest.

A new division offering a range of disposable containers and sacks to hospitals and institutions was formed during the year and is already making a contribution to group profit, Mr. Syrad says.

The main operating subsidiary absorbed the Quickmaid business and another smaller wholesaler and took an investment in a company making syrups for the vending and catering industry.

It was a difficult period for Automatic Food and Drink Machine Company. Its Gloucester manufacturing unit was closed and activities centred on Peterborough and Morden.

As already known the group sold its interest in Instanter in August 1976 following a decision to concentrate solely on related activities. Haines Vending at Peterborough was acquired in January, bringing total branches to 22 with three more planned for 1977.

Desoutter price responds to scrip proposals

Desoutter Brothers' share price moved 4p higher yesterday to 166p for an 8p rise in two days and the 4.55 per cent. Cumulative Preference shares by 8p to 48p as the stock market digested the implications of the company's income improving scrip issue reported yesterday.

The issue, of five Ordinary shares for every five held and one new Preference share for every five Ordinary shares held is one of the latest moves to increase shareholders' income without infringing the current dividend control legislation.

Ordinary shareholders will receive, aside from their normal dividend entitlement an additional 2.625p from each of their new Preference shares in the current year and a full 5.25p a share in 1978. The effect, assuming dividends are increased by a full 10 per cent. will be to increase shareholders income by 15 per cent. in 1977 and by a similar amount in the following year.

The directors of Desoutter point out that Ordinary shareholders through the new Preference shares can either retain their shares for income purposes or dispose of them in the market for cash without diluting their equity interest in the company.

Rowntree Mackintosh confident of growth

ANTICIPATED CAPITAL expenditure at Rowntree Mackintosh amounts to £14.12m., including £3.13m. for which contracts have been placed, according to the report and accounts for 1979.

The company plans to spend some £65m. over the next three years on fixed assets. In 1976 the fixed asset programme cost £16.1m. (£8.1m.) of which £1.9m. (£2.7m.) was leased.

Since 1970 fixed asset expenditure totalled £60m.

In his annual statement, Sir Donald Barron, chairman, referring to cocoa costs, which trebled in 1976, says that the policy of carrying substantial cover was amply justified. The group's requirements for 1977 and part of 1978 have been satisfactorily covered.

Sir Donald says that the company's brand strength and market share give cause for confidence and plans are for continued growth in all divisions.

He says that the operation of the Common Agricultural policy continued to give cause for concern. The spiral of generous returns to efficient farmers, overproduction, reduced consumption and unused surpluses is increasingly seen as inefficient and costly.

The full impact of these unnecessarily high prices has been cushioned in the U.K. market by the relative over valuation of the Green Pound and in the continuing debate on this subject the directors shall seek to ensure that the consumer's case is fully presented.

As known, pre-tax profit for the 52 weeks to January 1, 1977 rose from £22.67m. to £30.9m. Inflationary pressures and higher raw material costs raised stocks and debtors but the net increase in working capital was well contained at £9m.

Internal cash generation at £39m. was substantially higher than in the previous year and with the 12.4m. proceeds of the "rights" issue in June 1976, total gross cash flow was over £51m. Group borrowings were reduced by some £19m.

Meeting, York, May 31; 3 p.m.

Ruo allowed to pay 3.3p more

Ruo Estates, which trades almost exclusively overseas, has won approval from the Treasury for a near four-fifths increase in dividends for the year ended last June.

A further dividend of 2.9p has been declared making the total for the year of 7.543p (4.221p). Ruo had previously announced dividends for the year to June 30, 1976, of 4.643p.

Ruo directors say that trading results to date reflect a further substantial improvement, particularly with the increase in the tea market, and they will therefore be giving early consideration to the payment of an interim dividend as and when funds become available from Malawi, the group's principal area of operation.

A retrospective increase in Malawi corporation tax has increased the company's previously announced tax figures from £220,711 to £278,609.

Hoover first quarter rise

ON SALES 28.2 per cent. ahead at £47.76m. first quarter 1977 profits of Hoover show only a marginal rise from £3.47m. to £3.66m. But stripping out the exchange differences element there is an increase of £1.54m.

The profit before tax is after taking into account exchange losses of £219,000 arising on translation of liabilities and current assets. Figures for the first three months of last year have been restated to incorporate exchange gains similarly arising on translation of liabilities and current assets of £1,129,000.

Trading profit after eliminating exchange differences on translation has thus shown an improvement—increasing from £2,342,000 to £3,878,000.

The directors are hopeful that marketing conditions will continue to show some improvement in the major countries in which the group operates. It is in a good position to take full advantage of all opportunities as they arise and will approach the remainder of the year with its "usual aggressive marketing policies."

	First quarter 1977 £000	First quarter 1976 £000	Year 1976 £000
Group sales	47,755	37,262	190,048
Profit before tax	3,659	3,472	16,977
Taxation:			
U.K.	1,802	821	5,138
Overseas	348	295	2,154
Hoover (Holland) B.V.	116	133	577
Total tax	2,066	1,249	7,869
Net profit	1,593	2,222	9,148
Earnings per share	8p	11p	46p

● comment

Hoover has followed the U.S. pattern of bringing exchange gains or losses above the line on converting assets and liabilities into different currencies. The impact in this quarter reflects the rise of sterling from the end of last year. But this distorts the trading picture, with profits before exchange losses up by two-thirds. The bulk of this improvement came in the U.K. (as can be seen from the doubling of the U.K. tax charge). The year started well as dealers restocked ahead of price rises from March 1, but demand has dried up again in the second quarter and dealers are apparently holding large stocks against slack retail trends. The only really buoyant area now is Australia, for the Continent is slack, although the operation in France has broken into profit. The fall in earnings per share reflects the fact that exchange losses are not offsettable against profits. Prospects for the rest of the year depend to some extent on what happens to wages after July. At 285p the "A" shares yield a maximum 7.9 per cent.

Hutchinson holds profit at £0.61m.

AFTER being down from £340,000 to £330,000 after nine months, pre-tax profit of printers and publishers Hutchinson rose from £602,000 to £610,000 for 1976.

The final dividend is 4.65p for a total of 7.15p (9.5p). If ACT is reduced to 33 per cent. a further 0.14p will be paid.

The company is close.

	1976 £000	1975 £000
Turnover	7,036	5,969
Profit before tax	612	602
Taxation	301	278
Net profit	309	324
Extraordinary debits	70	292
Balance	239	32

Simpson well up so far

TAILORS and clothiers S. Simpson more than trebled pre-tax profit from a depressed £214,000 to £641,000 in the six months to January 31, 1977. Sales were up £1.47m. at £8.12m.

The directors say that the healthy trend has continued in the second half.

The net interim dividend is held at 1.3125p per 25p share. Last year payments totalling 2.8013p was paid from profit of £0.46m.

The tax charge for the first six months was £333,000 (£111,000) leaving a net balance of £308,000 (£103,000).

SHARE DISCLOSURES

More KIO holdings known

FURTHER SUBSTANTIAL holdings by Kuwait Investment Office in British companies were revealed yesterday. KIO holds 4,005,000 Ordinary shares of Birmid Qualcast (6.08 per cent.), 322,000 Ordinary shares in Dominion and General Trust, 618,000 Ordinary shares in Hickson and Welch (Holdings) (9.58 per cent.), 665,000 Ordinary shares in John Mowlem and Co. (9.98 per cent.), 1,337,000 Ordinary shares in Pentland Investment Trust, and 510,000 Ordinary shares in Muirhead (8.6 per cent.).

More details emerged yesterday under the new disclosure rules of the Prudential Group's stakes in other U.K. companies. The group holds 4,453,136 Ordinary shares in BSR (6 per cent.), 1,121,340 Ordinary shares in Letraset International (5.28 per cent.), 618,316 Ordinary shares in Ductile Steels (5.51 per cent.) and 178,750 Ordinary shares in Peterborough Motors (6.28 per cent.).

R. Cartwright (Holdings): Since March 7, 1977, when the report and accounts disclosed the holdings of "Family and Trusts" of Mr. J. C. Northam at 230,529 shares, the holding was increased on March 24 to 278,929 shares by the transfer of 48,400 shares from the estate of a deceased relative at nominal consideration and then subsequently reduced to 273,929 shares by the sale of 5,000 shares.

Whatlings: Scottish Northern Investment Trust holds 375,000 Ordinary shares (9.38 per cent.).

Econa: John Brian Marshall Urry, a director, has purchased 10,000 shares.

Aberdeen Construction Group: Kuwait Investment Office has an interest in £1,085,000 of the Ordinary capital.

Parker Knoll: Mrs. D. Parker holds 30,000 Ord. (5.8 per cent.).

John Williams of Cardiff: Gresham Investment Trust holds 273,340 Ord.

United Capitals Investment Trust: BUSMC Pensions Trust holds 310,000 Ord. (8.4 per cent.).

James Finlay and Co.: Commercial Union holds 25,000 8 per cent. Cum. Pref. stock (5 per cent.).

Pilkington Bros.: Mr. A. C. Pilkington's trustee interests in the Ord. have been reduced by 189,000, with result he is now interested (beneficially and non-beneficially) in a total of 3,794,634 shares.

Bridon: The following directors have sold Ordinary shares: J. W. Naylor 11,032, W. Hutchinson 690, A. S. Watts 4,078.

Scottish American Investment Company: Eagle Star Life Fund holds £125,000 4 per cent. Preference stock (6.25 per cent.). Eagle Star General Fund holds 37,500 10 per cent. Preference shares (5.36 per cent.).

The Atlanta, Baltimore and Chicago Regional Investment Trust: Cornhill Insurance Company holds 195,000 Ordinary (6.5 per cent.).

Church and Co.: ICFC and the ITC Pension Trust hold more than 5 per cent. of the Ordinary.

GHP Group: Pearl Assurance Company holds 179,666 of Ordinary (8.8 per cent.).

Property Security Investment Trust: Royal Insurance holds 1,150,030 Ordinary (7.56 per cent.).

Keystone Investment Company: Mercury Securities holds 558,814 Ordinary (9.53 per cent.). London and Manchester Assurance holds 373,006 Ordinary (6.39 per cent.).

Marshall Cavendish Promotions: G. C. Amy holds 326,001 Ordinary and R. A. C. Vivian holds 50,901 Ordinary.

L. Gardner and Sons: Mr. R. L. Gardner holds 276,030 Ordinary (6.18 per cent.). Rolls-Royce Motors owns 723,100 (16.72 per cent.).

Malaysian Tin: Mrs. Chou Yim Wan Chow owns 5.8774 per cent.).

Carpets International: Prudential Group holds 1,471,242 of Ordinary (6.21 per cent.).

British Industrial Holdings: Greenbrook Securities holds 2,727,558 (20.58 per cent.).

Scottish United Investors: Prudential Assurance holds 4,467,449 Ordinary (5.29 per cent.). Scottish Widows Fund 4,190,623 Ordinary (5.91 per cent.). and Royal Assurance £160,000 Preference (8.33 per cent.).

B. S. and W. Whiteley: Oswald AG of Switzerland holds 334,000 Ordinary (6.776 per cent.).

Reardon Smith and Sons: Miss C. H. Smith, Mr. C. E. McLay, Mrs. M. H. Johnson, and Mr. C. R. Chotterton hold 373,088 Ordinary (6.132 per cent.).

Record Ridgway: Brittonic Assurance holds 670,000 Ordinary (7.5 per cent.). Industrial and Commercial Finance Corporation holds 452,971 (5.07 per cent.).

The Selukwe Gold Mining and Finance Company: Kingside Investment owns 265,600 (10.39 per cent.), The River Plate and General Investment Trust 265,000 (10.39 per cent.), and Energy Finance and General Trust 475,530 (18.6 per cent.).

Baring Bros. and Co.: Eagle Star Group holds 1,000 4½ per cent. Cumulative Preference, National Farmers Union Mutual Insurance Society holds 912 4½ per cent. Cumulative Preference.

Ault and Wiborg: Sun Chemical Corporation has purchased 392,938 Ordinary (2 per cent.) at April 21, 1977, Sun Chemical was interested in 8,249,938 Ordinary (41.9 per cent.).

J. Dykes Holdings: Scottish Northern Investment Trust holds 300,000 Ordinary (6.47 per cent.).

Hoskins and Horton: Brittanic Assurance holds 235,000 Ordinary. Imperial Group holds 150,000 Ordinary, and Wesleyan and General Assurance holds 146,000 Ordinary and 5,954 Preference shares.

Sena Sugar Estates: Warren Tea Holdings holds 650,000 Ordinary (7.1 per cent.).

Smith and Nephew Associated: Kuwait Investment Office holds 7,620,000 Ordinary (6.105 per cent.).

SGB Group: Mr. N. L. Clifford-Jones, a director, has bought £500 of 8½ per cent. Cumulative Unsecured Loan stock.

C. H. Industrials: Mr. F. M. B. Gailer, a director, bought 1,000 shares and Mr. T. M. Heorley bought 2,750 shares.

British Home Stores: Mr. A. L. Phillips sold 554 shares, and Mr. A. R. Dearden sold 98 shares, both are directors.

Jove Investment Trust: The Moorside Trust holds 200,000 Income shares (5.48 per cent.), and 350,000 Capital shares (9.61 per cent.).

Danae Investment: Cornhill Insurance Company holds 450,000 Income shares (8.43 per cent.).

Pleasurama: Williams Hudson Group holds 1,851,216 Ordinary shares and Mr. E. H. Thomas, a director, has notified the company that Edward Thomas Investments, a company in which he has an interest, sold 10,000 Ordinary shares.

Sale Tilney and Co.: Mr. P. H. R. Gwyn, together with his wife and children, holds 213,450 Ordinary shares (9.42 per cent.).

Claverhouse Investment Trust: Pearl Assurance Company holds 910,000 shares and Scottish Amicable Life Assurance Society and a subsidiary hold 670,000 shares.

Selincourt: Mr. L. L. Leighton, a director, has sold 111,110 Ordinary shares held non-beneficially.

G. Dew and Co.: Mr. G. Dew has disposed of 3,500 Ordinary shares.

Dorrington Investment Company: Mr. P. L. Ross, a director, has disposed of 15,000 and Mrs. P. L. Ross has disposed of 5,000 Ordinary shares.

London and Provincial Trust: Scottish Widows Fund and Life Assurance Society holds 2,224,900 Ordinary shares.

United States Debenture Corporation: Eagle Star Group holds 100,000 5½ per cent. Cumulative Preference shares (9.52 per cent.) and Guardian Royal Exchange Assurance Group holds 61,800 5½ per cent. Cumulative Preference stock (5.88 per cent.).

North Atlantic Securities Corporation: The Investment Trust Corporation holds 1,000,000 Ordinary shares (5.73 per cent.).

Jardine Japan Investment Trust: Electricity Supply (Staff) Superannuation Scheme holds 519,500 shares (5.2 per cent.) and Electricity Supply (Industrial Staff) Superannuation Scheme holds 195,500 (1.85 per cent.) shares.

Gopeng Consolidated: Tronoh Mines and its subsidiaries hold 390,498 (9.79 per cent.) shares.

Crosby House Group: Warren Tea Holdings holds 46,000 (5.8 per cent.) shares.

Comet Radiovision Services: Mrs. M. O. Shannon holds 5.55 per cent. Ordinary shares and F. G. Baxter and P. B. Thomas jointly hold 6.17 per cent. shares.

Geers Gross: Stockholders Investment Trust holds 180,000 Ordinary shares.

Arbuthnot Latham Holdings: Mr. B. M. P. Thompson-McCausland, a director, has disposed of his non-beneficial interest in £312 5½ per cent. Convertible Unsecured Loan Stock, 1982.

General and Commercial Investment Trust: London and Manchester Assurance Company holds 429,587 Ordinary shares (8.036 per cent.) and Pearl Assurance Company holds 346,896 (6.589 per cent.).

United Capitals Investment Trust: Mr. C. S. Sheriff and his wife jointly hold 321,000 Ordinary shares.

Gleves Group: Mr. R. W. Gieve is interested in 212,805 (6.3 per cent.) Ordinary shares, 2,704 Preference shares and 186B Preference shares. Mrs. B. M. Giava is interested in 560 Ordinary shares, 350 Preference shares and 3,500 "B" Preference shares (8.7 per cent.). Mr. R. M. Tipping is interested in 10,868 Preference shares (14.5 per cent.) and 4,730 "B" Preference shares (11.8 per cent.).

London and Lomond Investment Trust: Scottish Mutual Assurance Society beneficially holds 6,500 4½ per cent. cum. Preference stock 7.2 per cent.

Nottingham Manufacturing: Mr. D. Djanogly and Mr. R. Djanogly are deemed to have interests in 3,445,804 Ordinary shares (6.65 per cent.). Company has also been informed that Mr. D. Djanogly holds 116,160 (0.22 per cent.) Ordinary shares.

Sungei Bahru Rubber Estates: International Investment Trust Co. of Jersey holds 175,000 shares (6.74 per cent.).

Burmah Oil Co.: Guardian Royal Exchange Assurance Group holds £39,100 6 per cent. cumulative second Preference stock (5.21 per cent.).

Allied Insulators: Prudential Group holds 470,830 Ordinary shares (5.23 per cent.) and Brittanic Assurance Company holds 850,000 Ordinary shares (9.44 per cent.).

F and C Enrotrust: Commercial Union Assurance Company holds 400,000 Ordinary shares (5.33 per cent.).

Sidney C. Banks: Equitable Life Assurance Society beneficially holds 180,000 Ordinary shares (5.94 per cent.).

Town Centre Securities: Barclays Bank Ltd. Pension Trust Fund holds 1,600,000 (7.1 per cent.), Ordinary shares, General Accident Fire and Life Assurance Corporation and subsidiaries hold 1,644,000 Ordinary shares (7.39 per cent.) and trustees of the I. A. Ziff No. 1 Trust hold 3,638,358 (16.16 per cent.).

Wodkin: Pearl Assurance Co. holds 290,000 (6.04 per cent.) Ordinary shares and Prudential Assurance Co. and subsidiaries hold 273,650 (5.7 per cent. Ordinary shares.

Dominion and General Trust: Northern American Trust Co. beneficially holds £38,000 5 per cent. cumulative Preference stock and Aberdeen Trust beneficially holds £34,000 of the 6 per cent. cumulative Preference stock. Pearl Assurance Co. beneficially holds 231,000 Ordinary shares and London and Manchester Assoc. Co. beneficially holds 405,000 Ordinary shares.

Berry Wiggins and Co.: Cumulative First Preference stock—Commercial Union Assurance Co. 33,360 (9.315 per cent.), London and Manchester Assurance Co. 62,000 (16.33 per cent.), Eagle Star Group 30,000 (7.9 per cent.), Scottish Mutual Assurance Society 48,860 (12.81 per cent.) and Prudential Group 61,640 (21.5 per cent.). Cumulative Second Preference stock—Jove Investment Trust 69,746 (7.79 per cent.), Royal Exchange Trustee Nominees 80,000 (8.93 per cent.) and London and Manchester Assurance Co. 110,000 (12.38 per cent.).

Refuge Assurance Co.: Mr. Richard Carr Green, a director, has disposed of 1,000 Ordinary shares.

F. H. Tomkins: B. S. G. International announces that its wholly-owned subsidiary, Griffiths Bentley, is the beneficial owner of 1,922,000 Ordinary shares (7.6 per cent.).

Howthorn Baker: Mrs. M. M. Colman holds 45,172 shares (6 per cent.), Mr. R. W. Colman holds 32,708 (5 per cent.) and Mrs. J. Thomas holds 56,466 (6 per cent.).

Scottish Northern Investment Trust: D. C. Thomson and Co. and its subsidiaries hold 2,070,668 Ordinary shares (5.89 per cent.).

English Property Corporation: On April 21, the following interests (including family interests) of the company's directors in its 6½ per cent. Convertible Unsecured Loan stock 1998-2023 were converted into Ordinary shares—Sir Denis Mountain, £4,000 of loan stock converted to 6,360 Ordinary shares, and F. A. Davies, £7,500 of loan stock converted to 17,550 Ordinary shares.

John Menzies (Holdings): Mr. D. F. Ramsey, a director, has sold 10,000 Ordinary shares.

Gray Electronics: Mr. A. Walstencroft, a director, has sold 15,000 shares.

MAM rival holds 6%

A HOLDING of 600,000 Ordinary shares of Management Agency and Music was disclosed yesterday by rival record group Decca. MAM's principal assets are Tom Jones, Engelbert Humperdinck and Gilbert O'Sullivan. The holding represents 8.21 per cent. of the issued Ordinary share capital of MAM.

Sketchley: Britannic Assurance Company holds 650,000 Ordinary shares (5.2 per cent.).

Muirhead: Sir Raymond Frederick Brown, a director, together with his minor children, holds 391,224 Ordinary shares (6.6 per cent.).

Brownlee and Co.: International Timber Corporation holds 674,525 Ordinary shares (9.52 per cent.).

P.M.A. Holdings: Keyser Ullmann is beneficially interested in 262,500 Ordinary shares (9.4 per cent.).

W. and E. Turner: Pearl Assurance Company holds 347,220 Ordinary shares (5.026 per cent.).

Brent Walker: Mr. D. Nossell holds 502,500 Ordinary shares (7.17 per cent.) and Walchbridge holds 400,000 Ordinary shares (5.71 per cent.).

Alisa Investment Trust: Cornhill Insurance Company holds 654,500 Ordinary shares (9.55 per cent.).

Brickhouse Dudley: Britannic Assurance Company holds 750,000 Ordinary shares (5 per cent.) and Throgmorton Trust holds 1,190,000 (7.84 per cent.) shares.

London and Strathclyde Trust: Cornhill Insurance Company (and Associates) hold 83,000 Deferred Ordinary shares (9.8 per cent.).

United Kingdom Property Company: Whitehall Holdings holds 2,372,873 Ordinary shares (5.66 per cent.).

Hickson and Welch (Holdings): Prudential Assurance Company holds 509,249 (7.89 per cent.) Ordinary shares and Britannic Assurance Company holds 325,000 Ordinary shares (5.04 per cent.).

Thomas Robinson and Son: ITC Pension Trust jointly with the ITC Pension Investment owns 360,000 Ordinary. Outwich Investment Trust holds 258,333 Ordinary.

The Bankers Investment Trust: Pearl Assurance holds 2,120,000 Ordinary (5.47 per cent.).

City of London Brewery and Investment Trust: London and Manchester Insurance holds 63,000 Preference Ordinary (10.68 per cent.).

Bejam Group: J. D. Apthorp holds 4,357,840 (16.16 per cent.). Tax Bay Trading and Investments holds 2,000,034 (7.24 per cent.) acquired from Mrs. Marion Marsh April 27. B. D. Apthorp holds 1,931,500 (7.16 per cent.). Mrs. M. L. Althorp holds 1,540,536 (5.71 per cent.).

Martonair International: Mr. G. Godwin has a beneficial interest of 868,441, and a non-beneficial interest of 1,897,107, M. R. C. Cartwright has a non-beneficial interest in 1,965,469, and a beneficial interest of 249,697 shares.

Rothschild Investment Trust: Andrew Eir and Co. holds 50,000 3.5 per cent. Cumulative Preference.

Robert Riley: M. J. Wigley, 7,500, M. J. Wigley as power of attorney for D. W. J. Wilson (60,500), and M. J. Wigley as trustees of the D. W. J. Wilson Settlement (82,000), acting in concert, hold 5 per cent.

A. Aronson (Holdings): ICFC hold 430,000 Ordinary.

Hambros Investment Company: Hambros Ltd. holds 1,449,313 Ordinary (5.43 per cent.). Electric and General Investment Company holds 25,000 5 per cent. Cum. Preference (7.23 per cent.).

The West Coast and Texas Regional Investment Trust: Cornhill Insurance Company holds 210,000 Ordinary (7 per cent.).

Benford Concrete Machinery: ITC Pension Trust jointly with ITC Pension Investment holds 914,284 Ordinary shares. H. and G. Simonds Pension Trust holds 30,000 Ordinary shares. These holdings totalling 964,284 Ordinary shares in which the Imperial Group is interested represent 6.52 per cent. of the issued Ordinary shares. Electra Investment Trust holds 1,140,000 Ordinary shares (7.71 per cent.) Cable Trust holds 1,140,000 Ordinary shares (7.71 per cent.).

United Dominions Trust: London and Manchester Assurance Company holds 27,500 3.15 per cent. Cumulative Preference (5.50 per cent.) and 75,000 3.15 per cent. Second Cumulative Preference (7.50 per cent.). John James Group of Companies holds 40,100 3.15 per cent. Cumulative Preference (9.22 per cent.), 91,000 3.15 per cent. Second Cumulative Preference (8.10 per cent.), and 250,500 3.15 per cent Third Cumulative Preference (23.05 per cent.).

FPA Construction Group: The ITC Pension Trust, jointly with the ITC Pension Investments, holds 600,000 Ord. (7.58 per cent.), and Prudential Assurance holds 440,000 Ord. (5.55 per cent.). Beneficial interests of directors at April 18, 1977, as follows: B. J. Ward 224,920 Ord. (2.84 per cent.). J. H. Grayson 35,000 Ord. (0.44 per cent). J. F. Brignell 310,000 Ord. (3.91 per cent.). D. P. Olipbant 100,000 Ord. (1.26 per cent.).

Cray Electronics: A director, Mr. D. E. Kimber, purchased 10,000 shares at 14½p on April 21.

Property Security Investment Trust: A director, Mr. L. N. Tucker, sold 25,000 Ord. shares for a consideration of £19,940.12.

Mixed Concrete (Holdings): Cawoods Holdings owns 881,610 Ord. shares (in excess of 5 per cent.), held under Cazenove Nominee.

Gartmore Investment (Scotland): Kuwait Investment Office holds 770,000 units (6.94 per cent.).

Chapman and Co. (Balham): 238,000 Ord. shares held by John Dickinson and Co., a sub. of Dickinson Robinson Group, and not by the group, as originally announced.

Assam Trading (Holdings): Mrs. Elizabeth Legard and three children hold £42,728 "A" and £37,268 "B" stock units. Mr. James A. Driver and Mr. Clifford E. Free hold £18,250 "A", and £28,958 "B." and Pearl Assurance holds £30,000 "A."

Broadland Properties: Mrs. Elizabeth Legard holds 42,728 "A" and 24,977 "B" shares, Mr. Christopher C. J. Legard holds 4,097 "B." and Edward T. Legard holds 4,097 "B." and Louise E. Legard holds 4,097 "B."

Noyapara Tea Holdings: British-Borneo Petroleum Syndicate holds 6,056 shares (8.07 per cent.), and Campbell Louis Nelson holds 7,500 shares (10 per cent.).

Baraoora Tea Holdings: British-Borneo Petroleum holds 85,000 Ordinary (11.81 per cent.), and Campbell Louise Nelson holds 37,500 Ordinary (5.21 per cent.).

Nolton Ltd.: Mr. Peter S. Dixon, a director, purchased 73,000 Ordinary on April 21, 1977, bringing his holding to 461,817 Ordinary shares.

Stanhope General Investment Company: General Investors and Trustees holds 88,250 Ordinary (6.17 per cent.).

McLeod Russel and Co.: Scottish Northern Investment Trust holds 234,900 Preferential Ordinary (14.73 per cent.).

United Carriers: Mr. R. H. Willis, a director, has disposed of 20,000 Ordinary reducing his holding to 202,250 shares.

Cambrian and General Securities: Directors' beneficial interests following capitalisation issue as follows: Hon. J. H. Davies allotted 94,972 new Ordinary making total 179,616 shares. A. W. Anderson allotted 4,860 making 8,910 shares. Hon. E. D. G. Davies allotted 110,906 making 203,328 shares. F. Roberts allotted 3,600 making 6,600 shares. J. M. Whittington allotted 2,973 making 5,451 shares.

Countryside Properties: Mr. Solomon Bobroff beneficially interested in 611,000 Ordinary, and Mr. Alan Cherry interested in 1,205,258 Ordinary.

Ellis and Co. (Richmond): Mrs. J. A. D. Dyson and Major E. Dyson hold total of 303,291 Ordinary (6.11 per cent.).

Kleinwort, Benson, Lonsdale: Mr. R. A. Henderson, as trustee, sold 950 Ordinary at 84½p. Mr. I. M. L. D. Forde sold 10,000 Ordinary at 86p. Mr. Forde and Mr. G. F. M. P. Thompson, as company trustees, sold 50,000 Ordinary at 86p all on April 21, 1977.

Ranks Hovis McDougall: Mr. Richard C. Loombe, a director, holdings 4,898 Ordinary, 15,676 unquoted Ordinary (1p paid), 3,919 unquoted Ordinary, 57,200 options to subscribe for Ordinary, at a subscription price of 25p, and 27,950 options to subscribe for Ordinary at a subscription price of 50p. Mr. Sydney V. Robinson, a director, holds 21,872 unquoted Ordinary (1p paid), 5,468 unquoted Ordinary, 77,009 options to subscribe for Ordinary at 25p, and 37,632 options to subscribe for Ordinary at a subscription price of 50p.

Hugh Mackay and Co.: J. Mackay holds 271,040 Ordinary shares, Mrs. Mackay holds 362,000, Miss D. Mackay holds 284,100 and Walter Walker and Sons holds 286,150 shares.

Laurence Scott: Dr. D. M. Mcdonald and family interests hold 528,250 Ordinary (6.27 per cent.). Prudential Group 500,000 Ordinary (5.93 per cent.).

Jokai Tea Holdings: Equity and Law Life Assurance holds 13,800 Preference (9.27 per cent.).

The Burton Group: USF Nominees holds 253,000 Ordinary (5.686 per cent.).

MONEY MARKET

Signal on interest rates

Bank of England Minimum Lending Rate 8½ per cent. (since April 22, 1977)

The authorities gave a signal on interest rates to the London money market yesterday, but there appeared to be some confusion as to the precise interpretation of the message from the Bank of England. Day-to-day credit was in short supply and the market received on exceptionally large amount of assistance, partly by way of large loans for seven days at Bank of England Minimum Lending Rate of 8½ per cent. This was meant to convey that the authorities are looking for no more than a marginal fall in the Treasury bill rate at to-day's tender.

During the morning discount houses buying rates for three-month Treasury bills fell to around 7½ per cent., suggesting the possibility of a cut of ½ per cent. to 8 per cent. in Minimum Lending Rate to-day, but at the close rates increased to 7¾ per cent., indicating a cut of ¼ per cent. to 8½ per cent. in MLR.

It was by no means clear whether such a fall is in line with official policy however, and there remains the possibility that the normal market related formula may be suspended if the tender indicates a fall of more than ¼ per cent. in MLR.

Help was also given to the market yesterday by the authorities lending an exceptionally large amount to six or seven houses overnight at MLR, and by official purchases of a small number of Treasury bills from the houses.

Banks carried forward surplus balances and a fall in the note circulation was also in the market's favour. On the other hand there was a net market take-up of Treasury bills, an excess of revenue payments to the Exchequer over Government disbursements, and repayment of the previous day's overnight advances.

Discount houses paid up to 8¾ per cent. for secured call loans but closing balances were found at 5-8 per cent. In the inter-bank market overnight loans finished at 4-3 per cent.

April 28 1977	Sterling Certificates of deposit	Interbank	Local Authority deposits*	Local Auth. negotiable bonds	Finance House Deposits	Company deposits	Discount market deposits	Treasury bills ♦	Eligible Bank bills ♦	Fine Trade bills ♦
Overnight	—	4-8⅞	—	—	—	e	8 8¼	—	—	—
2 days notice	—	—	8¼-8⅛	—	—	—	—	—	—	—
7 days or 7 days notice	—	8⅛-8⅛	8⅜-8½	—	8⅜ 8¼	—	8⅝-8⅛	—	—	—
One month	8¼-8¼	8-8⅛	8¼	8 7/16	8⅛	—	7¾ 8	7 15/16-7¾	8 3/16-8⅛	8-8⅛
Two months	8¼-7⅞	7½-8¼	—	8 7/16	8⅛	—	7¾	7½	7⅞	8⅞
Three months	7⅞-7⅝	7⅞-8 3/16	8⅛-8¼	8 7/16	8½ 8⅜	—	7⅞	7⅝	7½	8¼
Six months	8 1/16-7⅞	8⅛-8⅛	8½	8½ 7⅞	8⅜-8¼	—	—	—	8-7 15/16	8⅛
Nine months	8 1/16-8⅛	8⅛ 8	—	8¼ 8	—	—	—	—	—	—
One year	8⅛ 8	8 1/16-8⅛	8 7/16-10⅛	8½ 8	—	—	—	—	—	—
Two years	—	—	11⅛-11⅜	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. *Longer-term local authority mortgage rates nominally three years 12½-12¾ per cent.; four years 12¾-13 per cent.; five years 13-13¼ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 7 13/16-7¾ per cent.; four-month trade bills 8½ per cent.

Approximate selling rate for one-month Treasury bills 7 15/16-7⅞ per cent.; two-month 7⅞ per cent.; and three-month 7⅞ per cent. Approximate selling rate for one-month bank bills 8 1/16-8 per cent.; two-month 7⅞ per cent.; and three-month 7 15/16-7¾ per cent.; one-month trade bills 8½-8¼ per cent.; two-month 8⅛ per cent.; and also three-month 8⅛ per cent.

Finance House Base Rate established by the Finance Houses Association 11½ per cent. from April 1, 1977. Clearing Bank Deposit Rates for small sums at seven days' notice 4½ per cent. Clearing Bank Base Rates for Lending 9 per cent. Treasury Bills: average tender rates of discount 8.0018 per cent.

BAC behind Vickers £4m. increase

AN INCREASE of £5.32m. to £20.9m. in the contribution from associates, reflecting another excellent performance from British Aircraft Corporation, boosted Vickers to £38.3m. pre-tax in 1976, compared with £34.25m. in 1975. Profit at half-way was £2m. ahead at £14.5m.

The results of the group's 50 per cent. interest in BAC, and of the shipbuilding activities, which are to be nationalised with vesting days on April 29 and July 1 respectively, have been included on the same basis as in previous years, pending completion of negotiations on compensation terms, says Lord Robens, the chairman.

Earnings per £1 share are shown ahead at 40.2p against 36.2p, and the net final dividend of 5.2868p lifts the total by the maximum permitted from 7.9879p to 8.7866p.

The increased pre-tax profit was achieved despite the existence of spare capacity in some businesses, Lord Robens says.

Apart from associates, a further substantial improvement in profits was recorded by the U.K. engineering group, while engineering activities in Australia and Canada, although hampered by the local economic climates, also made valuable profit contributions, the chairman reports.

	1976 £000	1975 £000
Sales	424,224	324,504
Trading profit	29	25
Investment income	221	422
Interest	[illegible]	6
Share assoc.	20,886	17,250
Profit before tax	38,299	34,254
Taxation	18,160	16,567
Net profit	19,139	17,687
Minority interest	1,194	1,422
Extraord. debits	1,567	1611
Attributable	16,178	16,866
Dividends	4,222	3,872
Retained	11,956	12,994

* Credits.

The shipbuilding group achieved another creditable performance, demonstrating again that this business has consistently been strong and profitable, he adds.

Adverse economic factors in the office equipment market, coupled with damaging strikes in the French factories, accounted for the lower results of Ronco Vickers. However, the reorganisation of the business, commenced in 1975 and continued last year, is now producing benefits and the group is well placed to take advantage of any recovery in demand for its products, members are told.

In contrast, Howson-Algraphy experienced good trading conditions and with improvements in production efficiency, assisted by the substantial capital investment in recent years, reported record trading profits, Lord Robens says.

He goes on to say that the results of Vickers Oceanics were adversely affected by reduced demand for their specialised services due to unusually good weather conditions in the North Sea. The profits of the offshore engineering group were also diminished due to exceptional expenditure on innovation and the development of new techniques which should bring their rewards in the future.

An analysis of trading profit shows engineering, U.K. £6.2m. (£4.1m.), Australia £3.4m. (£3m.), Canada £2.6m. (£3.4m.), shipbuilding £4.7m. (£5.2m.), office equipment and supplies £3.2m. (£3.8m.), lithographic plates and supplies £6.8m. (£3.7m.), offshore engineering £0.1m. (£1.8m.), and optical instruments £0.3m. (£0.2m.), for a total of £27.3m. (£25.2m.). After deduction of net internal interest of £0.5m. (£0.1m.), trading profit emerged at £26.8m. (£25.1m.).

Lord Robens states that it may be some time before nationalisation compensation is agreed. Until then, he says, considerable attention will continue to be given to the task of negotiating "fair" compensation for these involuntary divestments.

Since early 1974, when nationalisation was first threatened, the company has been engaged in substantial capital reinvestment in the ongoing businesses, the chairman adds, and he believes the foundations are firmly laid for the future prosperity of Vickers.

A statement on compensation terms for BAC from the joint owners General Electric Company and Vickers discloses that BAC's sales in 1976 rose from £307m. to £483m., including exports of £270m. against £200m. Pre-tax profit was £10m. ahead at £40m., and orders in hand totalled £1.03bn. (£850m.), with an export content of 77 per cent. (72 per cent.).

Gallaher ahead so far

FIRST QUARTER 1977 sales of tobacco, cigarette, cigar and snuff manufacturers, Gallaher increased from £260.7m. to £328.8m. and pre-tax profit was up from £10.2m. to £11.8m.

For 1976 turnover was £1.13bn. and profit £41.1m., a record.

The directors note that the first quarter sales rise of domestic tobacco products was affected by duty increases since March, 1976.

	First quarter 1977 £m.	1976 £m.
Group sales*	328.8	260.7
Domestic tobacco	223.2	181.8
Overseas tobacco	71.8	57.2
Engineering	12.9	9.7
Optical	7.2	6.6
Distribution	44.4	35.1
Trading profit	13.3	11.6
Domestic tobacco	7.8	8.1
Overseas tobacco	1.6	1.4
Engineering	1.3	0.3
Optical	1.2	1.2
Distribution	1.2	0.6
Interest charges	1.5	1.4
Profit before tax	11.8	10.2
Taxation	5.9	5.2
Net profit	5.9	5.0
Minority interests	0.1	—

* Excluding VAT or its equivalent. † After depreciation £2.7m. (£2.6m.).

Minet 84% profit rise to £12.63m.

COMPARED WITH a forecast of not less than £11m. for 1976 Minet Holdings has turned in £12.63m., an increase of 84 per cent. over the previous year. At halfway the figure was up by 73 per cent. to £5.72m.

Stated earnings for the year are 15.07p (7.89p) per 20p share and the net dividend total is stepped up from 3.39p to 3.73p, with a final of 1.419p. A one-for-four scrip issue is also proposed.

	1976 £000	1975 £000
Brokerage income	23,206	15,707
Expenses	15,034	11,123
Underwriting agencies inc.	783	617
Investment income and int.	2,187	1,384
Share profits associates	1,193	350
Insurance subsidiary	242	—
Associate	135	—
Profit before taxation	12,628	6,835
Taxation	3,382	2,611
Net profit	9,246	3,244
Minority interests	313	234
Extraordinary credits	197	108
Attributable	9,125	3,018
Dividends	1,467	1,002
Retained	4,658	2,016

● comment

Minet's earnings per share have almost doubled to 15.1p so at 179p the p/e is now 12 which is marginally ahead of the average for the insurance broking sector. Fuelled by the decline in sterling last year, the growth in broking income ran way ahead of the rise in expenses: and helped by a switch away from subsidiary status in Keoya the associates' contribution is sharply higher. At the same time the tax charge is a couple of points lower. This year brokerage continues to climb but with sterling showing a measure of stability Minet is understandably projecting a slower performance in 1978. After all exchange profits at £1.67m. pre-tax accounted for almost 30 per cent. of last year's profits upturn. Meantime, the yield of 3.2 per cent. is covered four times.

Berger, Jenson better

TAXABLE profit was better by £0.37m. at £7.54m. for Hoechst subsidiary Berger, Jenson and Nicholson, in 1976. Sales by the company, whose main activity is paint manufacture, were up from £145.99m. to £176.95m.

At halfway when profit was slightly down at £2.67m. against £2.72m., the directors said that the U.K. had not seen the general improvement seen by most of the overseas companies and a better trading environment would be necessary in Britain for the 1975 results to be repeated.

The dividend per 20p share is lifted to 3.722p (3.6p) with a final of 2.522p. As known in December Hoechst U.K. subscribed at par for a further 0.58m. Ordinary shares.

	1976 £000	1975 £000
Sales	176,945	145,990
Pre-tax profit	7,536	7,162
Tax	3,162	3,940
Net profit	4,374	3,222
Extraord. credits	1,671	254
Minorities	685	229
Retained	3,461	1,398

LWT ahead midway

TURNOVER of LWT (Holdings) for the 26 weeks to January 23, 1977, rose from £12.38m. to £14.58m. and pre-tax profit was up from £2.23m. to £2.58m. after an increase in the exchequer levy of £2.96m. (£2.35m.).

For the year to July 27, 1976, turnover was £26.11m. and profit £4.7m.

Advertising revenue is currently running at a satisfactory level above that of last year, and it is expected that results for the year will be better, say the directors.

An interim dividend of 3.6875p (4.0625p) per share is payable on May 4.

The directors intend to apply to the Council of the Stock Exchange for a formal listing of the company's "A" Ordinary shares by way of introduction, and present plans envisage publication of the necessary advertisement in mid-June.

Regional Properties

A libel writ has been issued by Mr. Edward Pioles against Regional Properties, whose lawyers stated last night that the writ would be vigorously defended.

Regional is taking proceedings against Mr. Pineles. Its solicitors, Brecher and Co., said yesterday that these proceedings were "currently being settled by counsel, and they will be issued very shortly.

"In view of that fact, and of the libel writ now issued by Mr. Pineles, it was clearly inappropriate for our clients to make any comment on matters the subject of imminent and current litigation. We would, however, simply state both that Mr. Pineles's libel writ will be vigorously defended and that our clients have been firmly advised by leading counsel that it will fail."

At the height of the property boom in 1973, Regional paid £9.5m. for a site assembled by Mr. Pineles known as St. Stephen's Precinct in Knightsbridge, London. It has not gained planning permission for a commercial development there and has suffered heavy losses in writing the property to its existing use value.

Last month Regional stated that "In the light of information which has recently become available to the company, its solicitors have already been instructed to institute proceedings for the recovery of damages suffered by the company."

Shiloh Spinners

With a second half rally in pre-tax profit from £34,388 to £89,504 doublers and manufacturers of cotton, cotton waste, wool and rayon, Shiloh Spinners, ended the year to March 26, 1977, slightly down at £138,802 against £143,250.

The net final dividend is held at 0.886p per 25p share for a total of 1.636p (same).

After tax of £71,193 (£73,270) net profit emerged at £67,609 (£69,990).

Winn set for growth

MR. C. A. KYME, chairman, of Winn Industries says that there are excellent growth prospects in the group from the further expansion of the major companies. He looks forward to the future with confidence.

In the year ended 1976 group pre-tax profit expanded from £0.88m. to £1.14m. reflecting a very good trading year by most of the subsidiaries.

Compton Buildings has again produced excellent results. It is now well on the way to developing its site at Fenny Compton with a view to erecting a factory to carry out its own structural steelwork in-house, and a regular market in France has been established for goods and services. A successful printing department was also expanded during the year at this subsidiary.

The chairman says that he has been concerned about the group's inability to offset tax losses overseas against U.K. corporation tax and in 1976 such losses have materially affected the tax charge. To stem this the Italian operation has been disposed of and further moves have been made in respect of the other overseas activities on the Continent.

While divesting itself of certain activities the group has not neglected to take advantage of investment opportunities as they occur.

Meeting, Dorchester Hotel, W., May 18 at 11 a.m.

Brit. Assets

Pre-tax revenue expanded by £350,000 to £1,302,000 for British Assets Trust for the half year to March 31, 1977. Income was higher at £2.18m. against £1.84m.

Stated earnings per 25p share were 0.8p (0.59p). The net interim dividend is raised to 0.9p (0.725p) and the directors propose to pay not less than 1.9p (1.6p) for the year. Last year's payments were from revenue of £3.87m.

Tax for the first six months took £541,000 (£373,000) leaving a net balance of £761,000 (£579,000).

Steels

(INTERNATIONAL TRADERS AND MANUFACTURERS)

1976 Preliminary Profit Announcement

	1976 £'000	1975 £'000	Change %
Group turnover	86,950	62,872	+ 38.3
Group trading profit	5,954	4,192	+ 42.0
Interest	2,317	2,117	+ 9.4
	3,637	2,075	
Profits of associated companies	1,227	699	+ 75.5
Group profit before items listed below	4,864	2,774	+ 75.3
Taxation U.K.	870	647	
Taxation overseas	1,349	760	
	2,219	1,407	
Profit before extraordinary items	2,645	1,367	+ 93.5
Extraordinary items	293	185	
Profit after all charges	2,352	1,182	+ 99.0
Minorities	349	290	
Pre acquisition loss	(33)		
Profit attributable to members	2,036	892	+ 128.3
Preference dividends	129	126	
Ordinary dividends	322	262	
	451	388	
Profit retained	1,585	504	+ 214.5
Earnings per ordinary share			
Basic earnings	68.26p	29.66p	
Fully diluted earnings which allows for the preference share conversions and shares pertaining to the two executive share schemes	54.84p	25.28p	

The Group companies in the Middle East, East Africa, Canada and The E.E.C., with the exception of the engineering company in The Netherlands and the house building company in the U.K., all contributed to the excellent results, which were augmented by a profit before tax on disposal of fixed assets of £818,000 (1975 £338,000) and an exchange surplus before tax of £512,000 (1975 loss £51,000).

The attributable net profit was arrived at after deducting extraordinary items which include inter alia the provision for a further loss of £200,000 incurred in The Lebanon: £190,000, in respect of closing down costs at Kilsyth Australia: a profit of £159,000 from the sale of certain fixed assets in Canada. The decision to cease operations at Kilsyth was taken in the face of continuing losses with little prospect of early recovery.

A satisfactory start has been made to 1977.

DIVIDENDS

As the Company has received exemption from dividend restriction it is proposed to increase the total dividend for 1976 to 10.00 pence per share as compared with 8.14 pence per share paid for 1975. The recommended final dividend for 1976 will be 6.28 pence per share (£202,423) and the final dividend warrants will be posted on 21st July to shareholders registered on 21st June, 1977.

The Directors, in the absence of unforeseen circumstances, expect to recommend a total dividend for 1977 on an enlarged issued ordinary share capital, of not less than 12½ pence per share.

It is proposed that a Rights Issue be made of 1,387,750 ordinary 50p shares on the basis of 1 for 3 existing ordinary shares plus 1 for 6 fourth convertible preference shares at 220 pence per share, the details of which are contained in a document issued to shareholders.

Steel Brothers Holdings Limited
Sondes Place, Dorking, Surrey

International Combustion

(HOLDINGS) LIMITED

"...1976 profits a substantial improvement over the previous year... confident that profit for 1977 will exceed that for 1976..."

reports John Talbot, Chairman

- Pre-tax profit of £1.8m up 97% on the previous year.
- Earnings per share rose from 1.1p to 1.9p.
- Dividend increased to maximum permitted level.
- Improved prospects for 1977.

ANNUAL GENERAL MEETING

Mr. John Talbot, addressing the Annual General Meeting, reported that it gave him considerable satisfaction to announce the improved financial position in this the year in which he retires as Chairman.

In line with Group policy on acquisitions, Metropola Industries Ltd. was acquired during 1976, and the search for further suitable acquisitions is being continuously pursued.

Sir Monty Finniston

Mr. Talbot said he was delighted to welcome Sir Monty Finniston to the Board and particularly pleased to announce that Sir Monty would be taking over the Chairmanship with effect from the 1st May 1977. He was sure that under Sir Monty's guidance the Group's improvement in profitability would be maintained.

Sir Monty thanked Mr. Talbot for his kind remarks and indicated that it was a great pleasure for him to take the Chair at this, a most interesting period in the development of the Group.

The Group manufactures and supplies a wide range of engineering products to the Power, Process, Environmental, Mining, Defence and other industries, in particular steam generating equipment, precision valves, pumps, milling equipment, screens, and vibratory feeders.

BP depending on crude pricing developments

THE UNCERTAINTIES of the oil industry made it impossible for British Petroleum to give any useful forecast of 1977 profits so early in the year, Mr. D. E. C. Steel, chairman of the company, told the annual meeting in London yesterday.

He mentioned, however, three dominant factors. Much will depend on crude oil pricing developments; the two-tier system of pricing introduced on January 1 affects us more severely than the other major oil companies as nine-tenths of the OPEC crude comes from 10 per cent. price increase sources rather than 5 per cent. price increase sources.

"The market in Europe is now reflecting this 5 per cent. crude, to which we have little access." This was compounded by the second factor—the well-known surplus of shipping and distillation capacity. "Thus, although product prices have increased somewhat since the end of the year, these increases have not yet been sufficient to cover our increased costs."

But despite inflation, BP was managing to hold down its distribution costs and overheads. Nevertheless, "until these negative factors can be overcome our position in our main European markets remains unattractive.

"The third factor is the good news," Mr. Steel added. "In 1977 the significantly higher level of 'Forties' (North Sea field) production, together with higher prices and lower unit costs will make a major impact."

Mr. Steel said the company welcomed President Carter's statement to the U.S. Congress on pricing proposals for Alaskan oil. "We welcome his recognition that the price should encourage further Alaskan exploration and development." Alaska had been a long and costly development "but the faith the company has always had in it has been justified and we look forward to production starting and the consequent rise in our shareholding in Sohio."

By this time next year, he said, the company expected that about 40 per cent. of BP's assets would be located in the U.S.

Commenting on the controversy about the involvement of British companies in South Africa, he said: "In South Africa BP has for many years followed a policy which is now well expressed in the Manifesto of the Cape Town Chamber of Commerce which our South African company has endorsed and which is directed towards an employment policy of non-discrimination within the provisions of the law."

BP had recently sent the Department of Trade an updated report on the wages and conditions of the African employees of BP Southern Africa. "I am pleased to say that the Department has acknowledged that the information provided is fully in line with that requested by the Government and clearly demonstrates the progress being made by the company."

Helene of London peak £0.81m.

MANUFACTURERS AND retailers of fashion and leisurewear Helene of London achieved record profits as forecast, of £806,902 before tax for 1976 compared with £584,191 on turnover down from £9.72m. to £8.56m.

The directors say that the group is continuing to progress satisfactorily.

Earnings per 10p share are increased to 3.6p (2.4p) and the dividend is lifted to 0.6097p (0.5666p) net, the maximum permitted.

	1976 £	1975 £
Turnover	8,561,530	9,720,884
Pre-tax profit	806,902	584,191
Taxation	430,000	335,000
Net profit	376,902	249,191
Dividend	64,125	53,296

McKechnie Bros. climbs to £8.33m. at halfway

FURTHER RECOVERY is reported by non-ferrous metal and chemicals producer McKechnie Brothers in the half year to January 31, 1977, with taxable profit advancing from £4.85m. to £8.33m. Sales rose £25.75m. to £71.16.

The directors hope to maintain the levels of turnover, profit and earnings in the second six months, for the year to show improvement on last year's full-time profit of £12.33m., says Mr. C. C. Taylor, the chairman.

Stated earnings per 25p share were up 4.2p at 9.8p and the interim dividend is lifted to 1.5p (1.35p). Last year's payments totalled 3.90202p.

As expected the recovery in the U.K. has levelled and part of the growth shown is due to the inclusion, for the first time, of Ideal Casement's (Reading), which made a profit of £0.73m. on sales of £5.6m.

South Africa has remained in recession and though the figures are better than for the same period of 1975-76 they are below the second half performance, but New Zealand/Australia is slightly better than the last half year and well ahead of a year ago, the chairman states.

	Half year 1976-77 £000	Half year 1975-76 £000	Year 1975-76 £000
Sales	71,163	45,412	108,733
Depreciation*	1,336	912	2,050
Operating profit†	7,745	4,279	10,937
Share of assocs.	1,380	920	2,188
Interest	798	345	843
Pre-tax profit	8,327	4,854	12,332
Taxation	3,782	2,145	5,346
Net profit	4,545	2,709	6,986
Minorities	1,328	883	2,435
Extra-ord. debits	11	—	77
Attributable	3,206	1,826	4,474
Pref. dividends	5	5	10
Ord. dividends	492	461	1,279

* The depreciation on metal stocks not covered by sales contracts not taken into account amounts to £96,000 after tax.
† Before metal account.

In South Africa, certain subsidiaries have adopted the "last in, first out" (LIFO) method in determining operating profit. Also stocks in the U.K. have been valued in accordance with the accounting standards for stocks and work-in-progress, comparative figures have been adjusted to take account of these changes.

● comment

A 72 per cent. jump in McKechnie's interim profits, even allowing over £700,000 first time contribution from Ideal, looks impressive. But the latest figures are put in better perspective against the previous six months when the recovery really started to get under way, and on that basis virtually all the increase is accounted for by Ideal. South Africa is still sluggish with its proportion of earnings dropping to 31 per cent. (35 per cent. for the whole of 1975-76) while the U.K. has moved ahead to 55 per cent. (51 per cent.). Still McKechnie is heading to beat its previous peak of £15¼m. this year, though the indication of £16¼m. must include £1m. gold from Ideal. Brass rod production is still the major single product in the U.K. and the company cannot expect any volume growth there, while the retail end of the market is looking weak in the second half. Chemicals on the other hand, will be up thanks to greater exports and New Zealand (14 per cent. of half-time earnings) remains strong. Meantime borrowings are up to £17m. though the half-time is a seasonal peak and by the year-end they should be below a third of shareholders' funds (£38m. last July). At 89p the prospective p/e is only 4½ though the yield at 7½ per cent. may restrict the shares.

Gerrard National progress

After a large transfer to inner reserves, net profit of Gerrard and National Discount Company rose from £2.9m. to £3.41m. during the year ended April 5, 1977.

An amount of £0.5m. (same) has been transferred to general reserve from the inner reserves which, say the directors, now stand at a much higher figure than ever before.

The net final dividend per 25p share is 4.816p for a total of 7.216p (6.651p adjusted for the one-for-one scrip), the maximum allowed. Ordinary dividends absorb £1.1m. (£1m.) and preference dividends £8,000 (same). If the tax rate is cut a second final will be paid.

The increase in carry forward amounts to £2.31m. (£1.89m.).

● comment

The stock market has paid little regard to the large profits recently made by the discount market and the generally high level of reserves (both published and inner) which for Gerrard and National, as for most others, are much higher than ever before. The erratic nature of the business plainly does not help the market rating—last October, when MLR reached 15 per cent., Gerrard was probably showing a small loss after six months, only to rake in the profits during the second half. The immediate prospects may not look so buoyant, with the discount houses generally cutting back their books. But the further cut in money rates in the past few weeks has got Gerrard's new year off to a very good start, and a market capitalisation of £20.8m. compares with a true net worth which could easily be of the order of £80m. At 143p the yield is 8.2 per cent.

Upturn at Hamilborne

Compared with a forecast of not less than £75,000, taxable profit of Hamilborne was £87,874 for 1976, against £20,517 the previous year.

Also as predicted the dividend total is 1.47p (1.386p) net with a final of 0.97p. The payments absorb £23,044 (£21,727).

Turnover for the year was up from £251,325 to £350,349. Tax takes £27,423 (£12,692), leaving £53,101 (£77,825).

Sun Life funds top £600m.

TOTAL PREMIUM income of the Sun Life Assurance Society passed the £100m. mark in 1976 according to the report and accounts for that year. At £107.5 accounts for that year. At £107.5m. it was 24 per cent. higher than in 1975, while investment income rose by 17 per cent. to £53.4m. Claims and expenses were £4m. higher at £94.7m. so that the long-term funds at the end of 1976 stood at £606m. compared with £563m. at the beginning. There was a transfer to investment reserve of £25.4m.

The company, in common with most life companies put a large part of its new money last year in the gilt market to take advantage of the high yields available. Sun Life invested £30m. in fixed-interest securities, but gives no indication of its equity investment policy. The balance-sheet however shows the value of equity investments to be £108m. at the end of 1976 compared with £121m. at the beginning.

During the year the company acquired the share capital of Artagen Properties and the value of property holdings in the portfolio jumped to £181m. from £117m. at the beginning of the year.

Mr. P. G. Walker in his chairman's statement refers to the increase in new business in 1976 especially in the first half of the year. Overall, the company performed in line with the life assurance industry average for 1976. The portfolio of group pension business continued to expand satisfactory and Mr. Walker points out that it would have been greater, but for the continued restrictions of the pay policy. He expresses the hope that these restrictions will be removed at Stage 3 and refers to the growing volume of work being imposed on the company in implementing the new pension requirements.

Mr. Walker referred to the new commissions agreement of the Life Offices association which he welcomed. But it was too early to forecast its likely effect on new business of the company.

The Labour Party's proposals to nationalise the seven largest insurance companies was attacked by Mr. Walker as being extremely harmful. It was aimed at the direction of investment of insurance funds with the objective of supporting projects that could not attract finance by any other means because the returns would be inadequate.

ASSOCD. PAPER REPAYMENT

Associated Paper Industries is calling on May 15 a meeting of holders of the 6 per cent. unsecured loan stock 1981 to propose the early repayment of the outstanding £250,000 of stock at £96 per cent.

API has been advised by Morgan Grenfell.

Peak Inv. increases at half year

An increase of 29 per cent. in taxable profit to £0.16m. was produced by Peak Investments for the half-year to November 30, 1976. Turnover was up 27 per cent. at £2.46m.

The directors anticipate that the second half will show improvement with a similar result to the first half. The full-time result last year was £150,578, having fallen from £223,370.

The net interim dividend is held at 0.5p per 10p. Last year payments totalled 0.65p.

The company has interests in the manufacture of caravan chassis and components, electronics and the letting of industrial property.

	Half year 1976 £	Half year 1975 £
Turnover	2,463,853	1,946,372
Pre-tax profit	163,519	126,620
U.K. tax†	41,800	—
Foreign tax	5,400	7,384
Net profit	115,610	119,236
Minorities	3,642	2,670
Attributable	111,868	116,566
Int. dividend	38,114	38,114
Retained	73,754	78,473

† No account taken for stock appreciation relief.

RESULTS AND ACCOUNTS IN BRIEF

ATLANTA, BALTIMORE AND CHICAGO REGIONAL INVESTMENT TRUST—Pre-tax revenue for half year to March 31, 1977, £27,803 (£8,319). No interim dividend (same). Tax £14,059 (£0,031). Net asset value per 10p share 62.4p (62.5p at September 30, 1976).

AULT AND WIBORG GROUP (printing inks, paints, chemicals)—Results, 1976, already known. Group fixed assets £4.72m. (£4.36m.), net current assets £3.91m. (£3.06m.). Chairman says growth is expected to continue—company plans to spend about twice the £0.8m. spent in 1976, and this is expected to continue into 1978. Meeting, 71, Standen Road, S.W., May 20, noon.

BELGRAVE (BLACKHEATH) steel forgings, bolts and nuts—Pre-tax profit for year to January 31, 1977, £199,114 (£216,072). The dividend is maintained at 2.6p net per 25p share. Tax £104,747 (£111,688).

BROWN AND JACKSON—Results for 1976 reported on April 1. Fixed assets at December 31, 1976 were £1.22m. (£0.73m.) and net current assets £1.92m. (£1.21m.). There was a decrease in bank balances and cash of £0.62m. (£0.13m. increase). Meeting, Blackpool, May 20, at noon.

GEORGE M. CALLENDER AND CO. (damp-proof courses, sheeting, etc.)—Results 1976, already known. Fixed assets £0.74m. (£0.52m.), net current assets £0.3m. (£0.39m.). Net liquid funds increased by £107,000 (£5,000 decrease). Meeting, Winchester House, E.C., May 19, 11.30 a.m.

GASKELL AND CO. (SACUP) (carpets and underlay)—Results for 1976, reported April 2. Fixed assets £0.82m. (£0.73m.), net current assets £1.32m. (£1.19m.). Chairman reports increase in turnover and earnings for first quarter of current year and forecasts earnings improvement for the year. Meeting, Blackburn, May 19, noon.

CHEPSTOW RACECOURSE—No dividend (2.6p). Turnover for 1976 £266,265 (£234,517). Group loss £6,551 (profit £4,785) after all charges including tax £2,400 (£3,200). Loss per share 0.039p (earnings 0.043p).

DERBY TRUST—Unaudited figures for portfolio at March 31, 1977, show a valuation of approximately £12.9m., an increase of 10 per cent. since December 31, 1976. Assets attributable to the capital shareholders are approximately £7.55m., giving an asset value of £2.57 per capital share, as compared with £2.40 at December 31, 1976, an increase of 19 per cent.

ERITH AND CO.—Results for 1976 reported April 1. Fixed assets at December 31 £1.63m. (£1.6m.). Net current assets £1.17m. (£0.9m.), increase in working capital of £169,112 (£38,519). Meeting, Leytonstone, E., May 19, at noon.

GREENFRIAR INVESTMENT COMPANY—For three months ended March 31, 1977. Gross income £57,723 (£44,519), interest charges and expenses £26,654 (£22,265). U.K. tax £3,160 (£9,993), leaving £3,887 (£13,049). Earnings per share 0.15p (0.53p). Net assets per share at March 31, 1977, 98.5p (91.5p at December 31, 1976), includes investment currency premium, per share 9.5p (12.7p). Contingent surrender of 25 per cent. currency premium, per share 2.3p (2.8p). Valuation of investments £4,295,539 (£3,985,341). Deposit related to currency loan £315,978 (£315,000). Net current assets £314,839 (£489,789). Currency loans £296,792 (£296,392). In spite of the fall in income in the first quarter, earnings are expected to permit a dividend of at least 1.20p per 25p share, say directors. Last year's payment was 1.2p.

HARRISON AND SONS—Results for 1976, reported on April 7. At December 31 fixed assets were £5.21m. (£4.96m.) and net current assets £39.10m. (£9.45m. liabilities). There was an increase in working capital of £0.6m. (decrease of £9.6m.). The directors say that with the group now on a firm and reliable basis to meet the present trading conditions. The advance that was anticipated is expected to continue. At December 31 London and Associated Investment Trust held 47.3 per cent. of the issued Ordinary. Meeting, Ludgate Hill, E.C., May 18, at noon.

KRAFT PRODUCTIONS (furniture manufacturers)—Pre-tax profit for 1976, £30,079 (£23,701) on turnover £1.14m. (£1.22m.). Earnings per 10p share 2.5p (2.4p) and the dividend total 1.3935p (same) with net final 0.3335p. Net profit £23,081 (£24,822) after tax £5,078 (£3,679).

LONDON AND ST. LAWRENCE INVESTMENT—Gross revenue for six months in February 28, 1977, £70,698 (£67,230). Net asset value per 5p share 12.34p (12.75p).

LONDON AND STRATHCLYDE TRUST—Net revenue for half year to end February 1977, £58,586 (£2,478) after all charges and tax of £67,268 (£54,496). Earnings per 25p share 8.61p (0.38p). Interim dividend of 9.45p (8.4375p) already announced. Net asset value 49p (46p).

LONDON UNITED INVESTMENTS. Results for 1976, reported April 19. Investments £2.3m. (£2.46m.), net current assets £1.49m. (£2.13m.). Cash at bank increased by £1.27m. (£1.44m.), overdrafts were up by £0.3m. (£1.18m. decrease); bank loans expanded by £0.11m. Chairman says activities are soundly-based. Company has every prospect of improving profitability in real terms. He is confident of further growth and profitability in 1977. Meeting, Great Eastern Hotel, E.C., May 18, noon.

THE MIDLAND NEWS ASSOCIATION—Results for 1976 reported April 15. Fixed assets at December 31 £6.66m. (£6.36m.). Net current assets £1.44m. (liabilities £1.27m.). Decrease in bank borrowing of £0.63m. (£0.19m. increase). At April 14, 1977, Graham family and trusts held 22.6 per cent. of issued Ordinary, CP Holdings held 35 per cent. The directors say that, providing the economy does not worsen, prospects for 1977 are encouraging. Meeting, Wolverhampton, May 20, at noon.

RALEIGH INDUSTRIES (in Tube Investments group)—Results for 1976, already known. Group fixed assets £12.9m. (£12.48m.) and net current assets £7.53m. (£22.93m.). There was a decrease in bank overdrafts of £1.36m. (£0.69m.) and in loans of £2.47m. (£1.33m.). Meeting, Nottingham, May 20, at noon.

GEO. G. SANDEMAN SONS AND CO. (port and sherry exporters)—Results 1976, reported April 6. Fixed assets £7.77m. (£7.47m.), net current assets £5.38m. (£6.24m.). Bank overdrafts increased by £1.98m. (£1.95m.). Auditors say they are unable to quantify effects of company's non-compliance with standard accounting practice of including additional overheads in stock valuation. Chairman is hopeful that 1977 profits will be higher than 1976. Meeting, Connaught Rooms, WC, May 20, noon.

STOREY BROTHERS AND CO. (vinyl sheeting)—Results, for 53 weeks to January 1, 1977, reported April 18. Fixed assets £8.11m. (£6.88m.), net current assets £9.75m. (£3.38m.). Compensation of £27,000 (same) paid for loss of office of former director. Meeting, Lancaster, May 20, noon.

TRIPLEVEST—Results for year ended February 28, 1977, reported April 1. Fixed assets £26.45m. (£26.37m.) net current assets £1.48m. (£1.21m.). Unrealised capital reserves £6.46m. (£6.78m.). The directors say that dividend growth should result in a further increase in distributable income this year. Meeting, 17 Old Broad Street, E.C., May 20, noon.

WEEKS ASSOCIATES—Results, year ended January 23, 1977, reported April 14. Group fixed assets £1.82m. (same). Net current assets £990,585 (£471,685). Meeting, Hull (North Humberside), May 22, at noon.

MINING NEWS

A first quarter profit for Northgate Expln.

BY KENNETH MARSTON, MINING EDITOR

CANADA'S Northgate Exploration has had a good first quarter following the losses sustained in 1976. At the meeting in Toronto the president, Mr. Pat Hughes, said that preliminary results show a consolidated net income for the past quarter of $Can.863,000 (£479,000), equal to 12.5 cents (6.9p) per share. There was a loss of $611,000 in the final quarter of 1976.

The turn-round stems from the group's Irish lead-zinc mining operations at Tynagh. Thanks to a 20 per cent. increase in production coupled with higher prices for lead, there were mine operating profits last quarter of $Can.1.81m. compared with a loss of $327,000 in the same period of last year.

Mr. Hughes pointed out that because of the normal variables in the grade and tonnage of ore treated in any specific period the past quarter's results are not necessarily indicative of those for the rest of the year. But he still expected a 1977 production of 65,000 tons of concentrates compared with 59,060 tons in 1976.

He confirmed that the start-up of operations at the Navan zinc-lead mine in County Meath should take place next month. When in full production it will be Europe's leading zinc-lead producer and will rank among the world's top six. Northgate holds approximately 10 per cent. of Tara Exploration and Development which, in turn, owns 75 per cent. of Navan. In London yesterday Northgate were 390p and Tara were £14.

Beralt hopes to pay more

THE BOARD of Beralt Tin and Wolfram, which is part of the Charter Consolidated group, is considering the payment of a further dividend this year. The dividend will come from the 1976 earnings of the Portuguese operating subsidiary.

For 1976 the Portuguese company declared a dividend of Escudos 52.7m. (£792,000) compared with Escudos 50m. in 1975. The British parent's share is 80.55 per cent.

Beralt states, "the level of distribution will be dependent, inter alia, on the rate of exchange prevailing when the funds are transferred to the U.K.; the escudo was devalued in February 1977."

Earnings from the Portuguese company in 1975 produced a dividend of 3p and in 1974 a dividend of 4p.

Beralt's net earnings last year, after taking account of the interest of outside shareholders and extraordinary items, were £1.6m. and showed a sharp increase from the £925,000 recorded in 1975. The shares were 46½p yesterday.

RENISON TIN SCRIP ISSUE

The Tasmanian tin producer Renison, which is part of the Consolidated Gold Fields Australia group announces a one-for-one scrip issue subject to the necessary increase in the authorised share capital being approved by shareholders at an extraordinary general meeting to be held on May 26.

The company also says that if the price of tin holds at its present levels the directors expect to at least maintain the 20 cents (———) final dividend rate on the increased capital.

In the 39 weeks to March 29 the company treated 412,007 tonnes of ore averaging 1.37 per cent. tin which produced 3,630 tonnes of tin metal in concentrates. In the 39 weeks to last March production of tin metal in concentrates amounted to 2,792 tonnes.

Rising profits at North BH

THE AUSTRALIAN base metal mining and investment group, North Broken Hill, continued to boost its earnings in the third quarter and holds to its prediction of nearly doubled earnings for the full year.

Net profits in the nine months to March were $A5.36m. (£3.4m.) compared with $A4.3m. in the same period of 1975-76, following higher prices and greater tonnages sold for its lead, zinc and silver and the return to profit of the group's rural operations.

Net investment income, however, at $A3.2m. was running $A1m. behind that of the first three quarters of the previous financial year. But the major portion of investment income is received in the last quarter and it is this that prompts North BH to predict annual net profits of $A17m. against $A8.8m. for 1975-1976.

The prediction of such a sharp increase in earnings was made in the first place early this month when the group responded to persistant heavy buying of its shares. Yesterday the market was quiet and the shares were unchanged at 113p.

RTZ's uranium boost

FIRST QUARTER earnings of the Rio Tinto-Zinc group's 51 per cent.-owned Canadian arm, Rio Algom, have advanced to $C15.8m. (£8.8m.). In the same period of 1976 they were $C7.28m. and that year's total amounted to $C31.6m., or 228 cents (127p) per share.

The latest advance is primarily a result of the renegotiation of the company's uranium export contract prices. It is pointed out that a significant part of the increase in uranium earnings during the quarter was of a non-recurring nature and therefore they will not be maintained at such a high level for the rest of the year.

At the Toronto meeting of Rio Algom the president, Mr. George Albino, said that this year's capital expenditure will exceed $C100m. (£55.5m.) compared with $C61m. in 1976. A large proportion of this spending will be on the long-term expansion of the Elliot Lake uranium operations in northern Ontario.

The first phase of the expansion is scheduled for completion in 1978 and the second should be finished in 1980. The expansion will enable Rio Algom to fulfil its sales contracts which at the end of last year amounted to 85.4m. lbs., sufficient to ensure continuity of operations at least into the 1990s.

Meanwhile, the Rio Tinto-Zinc annual report says that full design output at the group's mechanically-troubled Rossing uranium mine in South West Africa may not be achieved until about the middle of 1978. The shortfall in its production has necessitated deferred delivery programmes and the provision of short to medium-term finance which has been provided by the parent company.

On the subject of inflation accounting, RTZ says that the proposals of the steering group appear to be unduly complicated and the extent to which subjective judgment is required of the directors is likely to give rise to a wide range of interpretation. It is considered that in view of the uncertainties it would not be meaningful at this stage to provide figures showing RTZ's 1976 results on a current cost basis.

* * *

Five men have been killed at the Agnew nickel mine, owned by Selection Trust and MIM, in the worst mining disaster in Western Australia since 1921. The men were employed by Thyssen Mining and Construction. They were being moved in a kibble—a bucket—in the mining shaft. The kibble fell nearly 100 feet, killing three men instantly. The other two died before medical help reached the scene.

Common Bros. loss at halfway

FOR the eight-month period ended February 28, 1977, trading profit of Common Bros. fell from £635,000 to £82,000. After heavier interest of £575,000 (£198,000) and other charges—there was a loss for the period of £750,000 against a profit of £1.46m.

The directors, using conservative projections for the first four months of the current year, expect an improvement in trading profit, mainly attributable to increased earnings from the "Ro-Ro" vessels, but higher finance charges and other provisions will absorb the bulk of this improvement.

An unchanged net interim dividend per 50p share of 2p is announced, and the directors forecast a final not less than last year's 3.2025p.

The directors add that one of the company's ships MV Caribbean Progress suffered a major breakdown in January and resultant loss of earnings and unrecoverable repair costs came to some £0.5m.

The first two vessels for the subsidiary Gomba Shipping (Jersey) are due for delivery in June and July. Since February another company ship, MV Nimos, has been sold, they say.

Long term facilities covering £2m. were arranged through bankers of which £1m. was taken up to preserve an adequate margin of cash resources the directors are to sell additional tonnage as opportunity arises.

There were losses arising from the failure of Newfoundland Refining Company and a payment to secure a release from term charter obligations of £775,000 in the eight month period to February 28, 1976. Also for the same period, there was a surplus on the sale of ships of £1.93m.

SALE TILNEY'S RIGHTS — 98.7%

Sale Tilney's one-for-three rights issue at 110p per share has been taken up as to 98.67 per cent. of the issue.

The 7,525 new Ordinary shares not taken up have been sold at a net premium of 32.21 per share over the issue price. The net premium will be distributed in proportion among the shareholders to whom such shares were provisionally allotted. Individual amounts of less than £1 will not be distributed, but will be retained for the benefit of the company.

BIDS AND DEALS

Coral agrees £16m. for Centre Hotels

Coral Leisure, the bookmaking and leisure group, is set to make its first move into the hotels business with an agreed take-over bid for Centre Hotels (Cranston).

The terms of the offer—one share in Coral (which closed at 140p last night) plus 140p cash for every five Centre—value each Centre Hotels share at 56p and the whole group at just under £16m.

The takeover, which is recommended by the Board and financial advisers Kleinwort Benson, has been accepted by directors and other shareholders representing 35.6 per cent. of the equity. Together with existing holdings and shares bought through the market, it is likely that Coral can count on almost 50 per cent. of the company.

Arrangements have been made for shareholders accepting within 21 days to receive a cash consideration of between 54p and 55p a share, depending on the extent to which the share offer is taken up by Centre shareholders. The maximum number of Coral shares to be issued under the offer is 5,472,590, or 22.2 per cent. of the enlarged capital after the offer.

Coral's existing interests include bookmaking, bingo, casinos, greyhound racing and other entertainments such as discotheques and amusement arcades.

If successful, the bid will add a range of hotels and restaurants—including the Old Kentucky chain—to Coral's existing interests. It is expected that the current management will be retained.

Accompanying the terms of the bid is a statement that Coral's unaudited results for the 14 weeks ending April 7, 1977, showed profits before tax of £4.2m., compared with £1.9m. for the corresponding period last year.

● comment

Coral has caught Centre on a strongly rising profits curve, based on the hotels boom that has developed since the slump in sterling. At the half-way stage, profits were up nearly two-thirds to £823,000 and the offer document will show whether Centre has reached the peak profits of £1½m. last seen in 1973. With higher tariff rates, profits in this Jubilee year should be considerably higher. Centre's problem has been its debt of over £15m. against shareholders' funds of under £10m. in the last accounts. Coral's strong cash flow should help alleviate the pressure and allow Centre to resume its expansion plans. Coral has no debt problems and its £3.5m. cash will go some way towards the £7.66m. needed to finance the cash part of the deal, assuming all the 5.47m. Coral shares are taken up as seems likely after the 121 per cent. profits rise after 14 weeks in this year. The package offer values Centre at 56p with Coral at 140p which is higher than the cash alternative and the market price of 54p.

ASSOCIATE'S DEALS

Baring Brothers and Co., on April 27 purchased £10,000 Cable Trust 6½ per cent. non-convertible stock 1985-90 at 95 for discretionary investment clients.

Kitcat and Aitken have sold on behalf of an associate 100,166 shares in Simonsideat 85p assented.

Grindlay Brandts acquired 26,650 Ordinary shares of Sheffield Brick at 96p and 1,068 shares at 95p. Following these purchases, Grindlays owns 54,448 shares of Sheffield Brick (5.5 per cent.).

Hill Samuel bought 1,550 BTR at 200p for a discretionary investment client.

J. Stephens and Co. bought on behalf of an associate 300 Sheffield Brick Group Ordinary shares at 96p, and bought for an associate of Sheffield Brick 150 and 600 Ordinary shares at 96p.

Grieveson Grant, as associates of Allen Harvey and Ross, bought 48,000 Simonside Investment Ordinary shares at 85p for investment clients, and 177,327 Ordinary shares in assented form at 86p.

Cazenove and Co. purchased for the account of Friends' Provident Life Office 50,000 Land and House Property Ordinary shares at 98p.

AMERICAN ASSOC. —ESTATE HOUSE

The American Association announces that it has agreed to purchase by private treaty for cancellation the US$876,075 (nominal) of 5 per cent. debentures 1996 held by Estates House Investment Trust, representing 79.2 per cent. of those Debentures now in issue.

The agreed price is $150 per $500 (nominal) of debentures, and the purchase will be as to $440,000 (nominal) for cash immediately and as to the remainder of $436,075 (nominal) by December 31, 1977, or so soon thereafter as funds permit.

The purchases in both cases will be cum. interest. Final interest payment on the second tranche of $436,075 (nominal) will be on June 30, 1977 or December 31, 1977, according to whether the payment is before or after the latter date.

The company is to extend the same terms to other shareholders. U.K. exchange control permission has been obtained.

MIDLAND BANK PURCHASE

Midland Industrial Investments, a subsidiary of Midland Bank, has paid £150,000 for a shareholding of around 25 per cent. in Herbert Ferryman of Southampton, one of the leading privately owned pharmaceutical wholesalers in the U.K.

PILKINGTON

Pilkington Brothers offer for Barr and Stroud has been accepted in respect of 95.9 per cent. of Ordinary and 72.3 per cent. of the Preference capital.

The Ordinary offer is declared unconditional as to acceptances and remains open.

UNITED GAS

United Gas Industries announces that on June 1 its industrial meter business in Exeter will merge with its foundry business there. The combined businesses will operate under common management led by Mr. J. B. Crossley, who will be appointed managing director of Willays of Exeter. Mr. Crossley will also become a director of UGI (Meters) and will remain on the Board of Teddington Components.

Mr. W. W. Rogers will be promoted to foundry director of Willeys of Exeter. Mr. H. S. Booth will be promoted to succeed Mr. Crossley as managing director of Teddington Components which will continue to operate as an independent business.

F. J. WALLIS —INTL. STORES

Following the announcement by International Stores that it now owns 83 per cent. of the capital of F. J. Wallis, the directors have accepted the offer in respect of their own shares.

The Wallis Board feels that it is unlikely to be in the shareholders' best interests to remain in a minority situation and the directors are now working together to develop the joint businesses of Wallis and International Stores.

YULE CATTO —ASSAM TEA

The recommended cash offers on behalf of Yule Catto to acquire the capital of Assam Consolidated Tea Estates not already owned by Yule, have been accepted by the holders of over 82 per cent. of the Ordinary capital and over 91 per cent. of the Preference capital of ACTE the subject of the offers.

The offers have been declared unconditional and remain open for acceptance until further notice.

Taking into account the stock units already held and those acquired under the terms of the offers, Yule Catto now controls over 85 per cent. of the Ordinary and 93 per cent. of the Preference capital in ACTE.

SEET SALE

Scottish, English and European Textiles, following an approach from the Low Bonar Group, has sold Wemyss Textiles, its partly-owned subsidiary for £320,120 cash. This was paid in full on completion, of which £245,953 was received by SEET.

In addition, Wemyss has repaid all inter-company indebtedness outstanding at the date of completion amounting to £78,232. Wemyss is a manufacturer of woven furnishing fabrics.

HOLLAS

Hollas Group has issued 668,233 Ordinary shares to Industrial and Commercial Finance Corporation in satisfaction of its outstanding mortgage loan amounting to approximately £237,000 to Web Interlinings, a wholly-owned subsidiary of Bonas Webb.

EF putting up £14m. for English & Caledonian

THE MYSTERIOUS take-over approach made to English and Caledonian Investment Trust last week turns out to have been from European Ferries, which yesterday made a firm bid for the trust worth a total of £14.8m. on a share exchange basis. There is also a cash offer—worth 90p per share compared with the share offer of 102.75p per share—which values English and Caledonian at just under £13m.

News of the offer left the English and Caledonian share price 6½p higher last night at 98p, while European Ferries ended the day 4p down at 68½p. A bid of 60p per share has also been made for the Preference capital.

Accompanying the offer is a dividend forecast from European Ferries of 4.307692p per share gross, which represents an increase of 40 per cent. over the previous year.

The bid for the trust, which is being recommended by the Board, is an alternative to a rights issue for European Ferries which intends to liquidate the portfolio of shares to raise approximately £13m. net.

European Ferries said yesterday that it considers it desirable to provide for the purchase of new dual purchase ships "which will shortly need to be ordered to satisfy increasing demand for freight carrying capacity and to cater for a further increase in tourist demand."

AF DISPOSAL

Associated Fisheries has disposed of its interest in Tweed Shipyard (Berwick) to Turville Marshall. The yard will be reopening under new management on May 2.

NEW BRIDGE GETS OFFER

The London and European Group has agreed terms of a bid for New Bridge Holdings. The terms are 24p cash for each New Bridge Ordinary share, 65p cash for each Preference share and 1p cash for each Ordinary share subscription warrant.

The New Bridge Board will recommend acceptance. The Board and associates will accept in respect of 784,634 Ordinary shares and 67,667 warrants.

A director of London and European has an interest in a trust holding 40,000 New Bridge Ordinary shares.

New Bridge owns 1,383,675 London and European Ordinary shares (14.95 per cent.).

TAX PROBE AT CABLE & GLOBE

The proposed merger between Cable Trust and Globe Investment Trust has meant the investigation of certain tax and other technical problems of considerable complexity, say the two Boards.

Subject to the satisfactory resolution of the tax problems, merger terms will be formulated based on valuations of the net assets of the two companies as at March 31, 1977, reflecting the net asset values of the cross holdings and the holdings in Electra Investment Trust.

Audited financial statements for the three companies will be available at the end of June and the terms for the proposed merger will be announced early in July. The merger would be effected by means of a Scheme of Arrangement under Section 206 of the Companies Act, 1948 subject to the approval of the stockholders.

Cable Trust yesterday announced earnings, after taxation, for the three months ended March 31, 1977 of £1,256,000 (1976 £1,387,000). Despite this fall in earnings it is estimated that net income for the year 1977 will be in excess of that for the year 1976.

Net asset value per Ordinary stock unit of 25p at March 31, 1977 was 175½p (December 31, 1976, 158½p).

AB FOODS —JAS. WARREN

In yesterday's item on the sale of Dairy Tops, a James Warren subsidiary to Associated British Foods it was incorrectly stated that 25 per cent. of Dairy Tops was held by Mr. A. Record, Mr. I. Record and Mr. A. M. C. Brown. This stake would only have been acquired if the deal, previously under negotiation with Borden Inc. had gone through.

Under the present terms ABF has said that the three directors will be retained under an arrangement whereby they acquire an equity interest in Dairy Tops.

SHARE DISCLOSURES (continued)

Gordon and Gotch Holdings: Gordon and Gotch (Australasia) holds 232,000 shares (5.1 per cent.).

Estates Property Investment Company: National Provident Institution holds 950,000 Ordinary shares (6.49 per cent.).

Assoc. Dairies: Mr. A. D. Dobson, a director, has disposed of 385 Ordinary shares.

Kingside Investment Company: Clarke Nicholls and Coombs beneficially holds 500,000 Ordinary shares (5.55 per cent.).

Porvair: Sir Stephen Brown, a director, has purchased 10,000 (0.055 per cent.) shares.

City of London Brewery and Investment Trust: Eagle Star General Fund holds 40,000 Preferred Ordinary stock (6.78 per cent.) and 30,000 First Pref. stock (6 per cent).

British Printing Corporation: Danae Investment Trust holds 56,000 4.2 per cent. "B" cum Preferential shares (7.37 per cent.).

General Consolidated Investment Trust: Pearl Assurance Company holds 1,257,500 Ordinary shares (6.869 per cent.).

Hunslet (Holdings): Mr. J. Brook holds 101,800 Ordinary shares (8.483 per cent.).

Garford-Lilley Industries: Floreat Investment, a subsidiary of Dawnay Day, holds 400,000 Ordinary shares (6 per cent).

Rights and Issues Investment Trust: Archimedes Investment Trust holds 145,000 income shares (6 per cent.).

Olives Paper Mill Company: Ordinary—ITC Pension Trust jointly with ITC Pension Investments, 101,350 (8.33 per cent.), A. S. Roscow, 85,000 (5.31 per cent.), Cardinal Investment Trust, 84,439 (5.27 per cent.), General Investors and Trustees, 107,899 (6.74 per cent.) and Trade and General Securities 95,000 (5.93 per cent.) shares.

Scottish Heritable Trust: Mr. P. B. Green beneficially holds 200,000 Ordinary shares (5 per cent.). This holding is part of the 400,000 Ordinary acquired by Mr. M. Green on behalf of himself, his family and his family trusts at the time he was appointed a director.

Wm. Jackson and Son: Mrs. A. Robinson holds 48,880 Ordinary shares (4.45 per cent.) and 188,880 Restricted Voting shares of 50p each (15.38 per cent.) and Messrs. D. M. Jones, N. O. Till and J. F. Prince hold 116,760 Ordinary shares (10.36 per cent.) and 69,220 Restricted Voting shares of 50p each (6.3 per cent.).

Laporte Industries (Holdings): Scottish Mutual Assurance Society holds 10,000 7½ per cent. Cumulative Preference stock (6.62 per cent.).

Tanjiou Tin Dredging: Gopeng Consolidated holds 130,000 shares (8.74 per cent.).

Idris Hydraulic Tin: Pengkalen holds 120,000 (9.37 per cent.) shares.

Associated Biscuit Manufacturers: C. B. Barber, a director, has disposed of 3,000 "A" Ordinary shares.

Fledgeling Investments: Anglo-American Securities Corporation holds 1,508,000 Ordinary shares and North Atlantic Securities Corporation holds 365,000 Ordinary shares.

Andre Silenbloc: Charringtons Industrial Holdings holds 916,000 Ordinary shares (8.7 per cent.).

Drayton Premier Investment Trust: Eagle Star Life Fund and Eagle Star General Fund together hold £50,000 5 per cent. Cumulative Preference stock (8.89 per cent.) and Eagle Star Life Fund and Eagle Star Investment together hold £120,000 3.5 per cent. Cumulative Preference stock (8.94 per cent.).

Drayton Consolidated Trust: Eagle Star Life Fund and Eagle Star Investments together hold £125,000 5 per cent. Cumulative Preference stock (9.92 per cent.) and Eagle Star General Fund holds £45,000 3.5 per cent. Cumulative Preference stock (9.01 per cent.). Scottish United Investors holds £40,000 3.5 per cent. Cumulative Preference stock (8 per cent.).

Ault and Wiborg: Sun Chemical Corporation, on April 21, was interested in 8,249,938 Ordinary shares (41.9 per cent.).

Harris and Sheldon Group: Britannic Assurance Company holds 2,855,000 Ordinary shares (8.89 per cent.).

Syltone: ITC Pension Trust jointly with ITC Pension Investments holds 223,500 Ordinary shares.

Ladies Pride Ooterwear: Mr. R. K. Rudkin, a director, holds 249,619 Ordinary shares (5.38 per cent.).

Wettern Brothers: Klienwort Benson Investment Trust holds 98,750 Ordinary shares (5.877 per cent.).

Tollemache and Cobbold Breweries: Whitbread Investment Company holds 200,000 Ordinary shares (5.97 per cent.) in the name of Cazenova Nominees.

London United Investments: Mr. R. A. P. King beneficially holds 480,000 Ordinary shares (5.62 per cent.) and Mr. C. R. Driver, a director, beneficially holds 722,000 shares.

Shires Investment Company: Carliol Investment Trust holds 133,500 Ordinary shares (5.34 per cent.).

Lake View Investment Trust: Eagle Star Group beneficially holds £50,000 5 per cent. Cumulative Preference stock (0.41 per cent.).

Belgrave (Blackheath): Central Manufacturing and Trading Group holds 150,000 Ordinary shares.

Transparent Paper: Meltoith Investment Trust now holds 600,000 Ordinary shares (10.995 per cent.).

London and Holyrood Trust: Guardian Royal Exchange Assurance Company and its subsidiaries, holds 93,000 5 per cent. Cumulative Preference shares.

Baring Brothers and Co.: Eagle Star Group holds 1,000 4½ per cent. Cumulative First Preference shares and the National Farmers' Union Mutual Insurance Society holds 912 4½ per cent. Cumulative Preference shares.

B.A.T. Industries: P. J. Rickets, a director, has acquired 400 Deferred Ordinary shares.

Associated Leisure: Mr. R. H. Elworthy, a director, has purchased, as a trustee only, £10,000 7½ per cent. Unsecured Loan stock 1982-84.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Resignation of IRI vice president

BY DOMINICK J. COYLE ROME, April 28.

AVV. ENZO Storoni has resigned as vice-president of IRI. Italy's largest state holding company and the country's biggest employer, charging the Government with forcing the group to absorb perennially loss-making state and private sector companies in the intersts of political expendiency.

Specifically at issue, is the Government's decree law earlier this month effectively dividing the workforce and the considerable financial liabilities of EGAM, the Italian minerals agsncy, between IRI aod the stste hydrocarbon ageocy, ENI.

In his letter of resignation to IRI president, Sig. Giuseppe Petrilli published here to-day, AVV Storoni attacks the "political authorities" who, he ssys, for the slleged purpose of guaranteeing employment, are demanding that IRI, hcsides effecting its own massive investment programmes, must continue to keep alive industries which are chrooicslly and irreparably in debt, and also to rescue loss-making private companies.

Pointing to the ahsolute iosdequacy of IRI's own capital structure to meet such tasks, AVV. Storoni says that the group was thua being forced to increase its borrowings, in present conditions mainly through short-term loans st high interest rates. IRI's current interest commitments, according to AVV. Storoni, sre now running at aome L.6hn. (£4m.) a day, or tbree times the gronp's losses last year, when averaged out on s daily hasis.

IRI, which employs more than half-a-million people and controls such companies as Alfa Romeo, the state airline, Alitalis, and the aerospace group, Aeritalia, Alsider ateel, the Italcantieri shipyards and four of the country's leading banks, reported losses last year of Lire670hn. on a total turnover of Lire10.000bn. (£7bn.).

The EGAM row, which has now in effect been transferred to IRI and ENI, erupted towards the end of last year when the minerals agency threatened to liquidate a number of its loss-making subsidiaries, making some 18,000 workers redundant, unless the Government stepped in with an aid package amounting to Lire335bn. (£225m.).

Sig. Antonio Bisaglia, the Minister in charge of State Participation, refused. Instead, he offered some immediate funds, in effect to cover littls more than the company's current psyroll obligations, and promised to prepare an overall recoostruction programme for EGAM.

The final solution, implemented by decree law on April 7, was to split EGAM in two and force IRI sod ENI to pick up the pieces.

This, in so far as IRI is concerned, will, says AVV Storoni, provoke a crisis within IRI "on hoth a juridical and economic level."

In his letter of resignation, he claims that the Government's decree law ignores the existence within the IRI group of several private shareholders and, therefore, disregards constitutional provisions for the safeguarding of sawings and the Civil Coda regulations governing joint-venture companies.

The resignation of Avv. Storoni must insvitably heighten further the tensions already existing inside IRI and between the group and the Government.

Two months ago almost the entire top management of the group threatened, in effect, to resign, in a letter to Sig. Petrilli, uoless there was an urgent review of IRI's entire organisational structure. This request wss released to an esrlier nndertaking to decentralise management control. This issue hss still to be resolved.

However, on the EGAM affair directly, there is virtual unanimity within IRI that the group should not have been forced to take on a slice of the minerals agency and some of its disparate subsidiaries, and that ths government is now merely using IRI as a receptacle for industrial lame ducks under the pretext of saving jobs as demanded by the big trade union confederations.

Pakhoed U.S. foothold

AMSTERDAM, April 28.

PAKHOED, the Dutch storage, transport and property company, has decided after a nevaluation period of "at least a year" to sdd coal to its sphere of bnsiness. It bas selected the U.S. market for its first step in this sector.

The company said in Rotterdam to-day it would be moving into the field of coal nroduction aod marketing via a joint venture with a small U.S. coal company. The company, called Seaview Metcoal, is a subsidiary of W. B. Packer C. S. which operates a number of joint ventures with Pakhoed already in the field o ftank storage in the U.S., where the Dutch company has been extremely expansive in the past.

GERMAN COMPANIES

Brown Boveri & Cie sees growth

BY GUY HAWTIN FRANKFURT, April 28.

BROWN BOVERI and Cie, the West German associate of the Swiss alectrical group, is expecting a year of further growth. Orders are forecast to be np on 1976 levels, while the concern's plant construction business will provide the main impetus for an expansioo of turnover by "definitely" more than 10 per cent.

Already in tha first quarter, there has beeo considerable improvement on the position at the end of 1976, according to Dr. Hans Goehringer, the group's chief executive. By the end of Msrch, Brown Boveri's order hook hsd risen by DM400m. to DM6.7bn. (£1.65bn.).

The group was performing well abroad and some 57 per cent. of the orders in hand were from overseas customers. Sales had heen doing well and turnover in the first quarter was up by 14 per cent. compared with that of the opening three months of 1976.

Prospects, however, do not look so rosy for 1978. Dr. Goehringer said that if there waa a continued halt in the construction of nuclear power stations in the Federal Republic there could he employment problems in the group's large projects snd heavy mschinery manufacturing sectors. This could lead to redundancies.

For the slectrical industry, as a whole, there were grounds for "very cautious optimism," he said. The variable kind of progress expected, however, would manifest itself in the form of a redoction in short time working rather than the creation of new jobs.

Brown, Boveri's 1976 results showed a further improvement despite a slowdown in the growth of group sales. These went up by only 3 per cent., compared with the previous year's 15 per cent., from DM3.33bn. to DM3.44bn. (£845.2bn).

Group performance had been rather healthiar than that of the pareot. Consolidated gronp net profits rose from 1975's DM36m. to DM49.1m., while the parent concern's profit and loss account showed an improvement in the net from the previous year's DM37.9m. to DM42.2m. Of this, some DM21m. against the previous year's DM18m. was to be allocated to reserves.

Last year was marked by a fairly weak rise in the group's plant construction business turnover which went up by ooly 4 per cent. In contrast, there was a substantisl improvement in ths group's mass-produced eqnipment sector. Turnover in the technical mass-prodnced goods sector grew by 6 per cent. and, in contrast with the plant husiness, the improvement came ahout largely as a result of an upswing in the home market.

* * *

BAYER, the West German chemicals concern, has joined its rival giants Hoechst and BASF in recommending an increased divideod for 1976. To-day the group'a executive aod supervisory hoards announced they were proposing a 16 per ceot. payout after 1978's 14 per cent.

All of the industry's big three have reported massive increases in turnover and profits duriog the 1976 recovery from the previous year's recession. Bnt only one, BASF, has recommended a return to the dividend level of the record ysar 1974.

To-day's statement from Bayer said that the June 29 annual meeting would be asked to approve a dividend of DM8 per DM50 nominal shere. This compares with a 1974 payout of DM8.50, but matches the 1973 dividend.

According to the statement, world net profits in 1976 were np 55.7 per cent. on tha previous year's level to DM523m. (£128.5m.) while the parent concern's net earnings rose 26.9 per ceot. to DM377m.

Distributed profits will acconnt for DM323.2m. (£79.4m.) and some DM71m. will he allocated to reserves. The total reserve allocation for Bayer world-wide will he DM104m.

Fried. Krupp loss

FRIED. KRUPP Huettenwerke, the stsel-making arm of the West Germsn steel, ship-building and engineering group, snded 1976 with a loss of DM37.9m. (£9.3m.). The outcome, however, wss a marked improvement on 1975's performance despite the difficoltles the industry experieoced last year.

Krupp, like most of its competitors, had a tough time in 1976. A report from ths concern'e supervisory Board to-day said that the first half of the year had seen a substantial upturn in orders in the first half and a commensurate improvement in results. However, this was followed by a fall-off in demand, which led to a decline in capacity utilisation and, naturally, an increasa in production costs.

* * *

Meanwhile, AEG-Telefunken, West Germsny's second largest electrical group, appears to be on the way to recovery. A report ont to-day states that the group ended last year at break even, after the amortisation of carried forward losses of DM352m. (£86.5m.) and the renewal of allocations to pension reserves.

The process of recovery has not been a painless one for AEG-Telefunken. To-day's statement pointsd out that the amortisation of losses carried forward had heen made possihle by the sale of its holdings in certain subsidiaries. At the same time, its rival Siemens last year took over AEG's 50 per cent. stake in Kraftwerk Union, the nation's largest power station constructor. While this substantially reduced the demands on AEG's stretched resources, it means that the group no longer hss s direct stake in ths nnclear power field.

But even so, it is understood that for the first time in three years AEG has made an operating profit. Stock market analysts here expect that the concern will again return to dividen din 1977 after three years without a payout.

SKF hit by weak market

BY JOHN WALKER STOCKHOLM, April 28.

SKF, the Swedish bearings, steel and machine tools group report that weak sales, depressed prices, continued cost increases and a heavier financial burden reduced profits before provisions and taxes from Kr.567m. in 1975 to Kr.240m. in 1976 including an extraordinary income of Kr.71m. More than half the drop in profits originated in the parent company, according to the annual report.

The gross turnover of tha group amounted to Kr.7.6bn. in 1976 including internal deliveries between various prodnct areas. Of this total, rolling bearings contributed Kr.5.5bn., special steels Kr.1.1bn. and other products Kr.916m. Compared with 1975 these figures indicated that products outside the bearing and steel areas continned to gain a greater share of the overall group sales volume, from 11.5 per cent. in 1975 to 12 per cent. in 1976.

For steel products a corresponding redncton took place, their share dropping to 14.8 per cent. in 1975 compared with 15.4 per cent. for the previous year. Ball snd roller bearings held their position at 73.2 per cent. The explanation, ths report states, of these trends lies mainly in the unfavourahls business climate and depressed prices experienced by the steel division.

The order intake grew from late 1975 to early summer 1976, and then a levelling off took place and during the fourth quarter of 1976, a slight decrease was registered both in invoicing and orders. International price competition for small and medium sized standard ball and taper roller bearings was just as harsh in 1976 as in the previous year. Competition also stiffened in the larger bearing sizes and specials, because supply exceeded demand. This range suffered particularly from the economic difficulties of the steel and paper industries and the lack of new orders for railway rolling stock.

Towards the end of 1976, Western world industrial production reached the 80 per cent. capacity utilisation which normally triggers off capital expenditure desired for expansion. But, even by February, 1977, few investment programmes of this kind have been announced. This reluctance shown by industry towards new commitments makes it uncertain that SKF could reap the benefits from increased industrial investment until near the end of this year.

The automotive industry is expected to remain at a satisfactory level while other mechanical engineering companies need further stimulus to increase their purchasing. Demand for steel is expected to increase, hnt the large existing inventories in the steel industry is likely to ham- per price recoveries.

The SKF group anticipates a ssles increase of about 10 per cent. in 1977. A positive turn in business activities would make a slight profit improvement over 1976 possible. The Board are recommending an unchanged dividend of Kr.4.50 per share.

AMERICAN COMPANIES

Dominion Bridge U.S. push pays off

BY ROBERT GIBBENS MONTREAL, April 28.

DOMINION Bridge Company, the Montreal-hased steel fabricator and hridge construction company controlled by the Canadian Pacific Group through Algoma Steel, is now deriving more than 80 per cent. of its earnings from its U.S. operations. That was the figure in the first quarter, when it earned $6.9m. or 65 cents a share on sales of $128m. sgainst 61 cents on turnover of $116m. a year earlier.

The order hacklog is $250m., down from $333m. a year earlier. New management led by Mr. Kenneth Barclay has pushed Dominion Bridge strongly into the U.S. market, mainly hy acqnisitions in the last threa years. The company's main U.S. subsidiary is Amca International Corporation and this has been given the go-ahead to build up $100m. for further acqnisitioos in the steel fabrication and distribution business mainly. Up to $75m. of this cash pool will be horrowed.

Total sales last year were $526m., and Mr. Barclay aims at $1bn. a year by 1980. The company has traditionally had a major share of the Canadlan market, but took a more hopeful view of ths U.S. ecnoomy. This has paid off in earnings.

Dominion Bridge says it expects to "consummate sceveral major projects shortly in an improving climate for non-domestic operations in particrlar," Mr. Barclay says in the first quarter report. Company officials were not immediately available to enlarge on these.

Babcock & Wilcox prediction

BABCOCK AND WILCOX Company expects U.S. ntilities to order power plants with a total capacity of about 30m. KW in 1977-78, np from about 16m. KW in 1975-76, Mr. George G. Zipf, the chairman, sald, reports AP-DJ.

He did not predict what the company's share migbt be, nor did he give a breakdown indicating what portion would be coal and what nuclear plants.

The company expects a letter of intent shortly covering sale of a nuclsar plant to s West German utility. He added that requests from utilities for proposals on new generating plants had increased sharply and all these reqnests were calling for coal-fired systems.

Mr. Zipf said at the company's annual meeting that it wss not sn opportune time to sell the company to United Technology Corporation or anybody else.

The company has rejected United Technology's proposed offer at $42 a share. It is also seeking an injunction to prevent United Technology from acquiring its shares.

● Mr. Zipf said he would ask directors to increase the company's quarterly dividend to 37½c a share, from 30c.

Mobil figures mask progress

By Donald Maclean

MOBIL CORPORATION'S net earnings in the first quarter of the year rose 2.8 per cent. to $219m., from $213m. in the same period last year.

Allowance must be made, however, for the fact that in the first quarter of 1976, Montgomery Ward's contribution to Mohil's reported earnings included results of the 1975 Christmas season. With Ward having come onto the same calendar year basis as Mobil, its contribution to the first quarter's earnings this year "compared unfavourahly" with thst a year ago— although the operating earnings improved.

A gain in earnings from U.S. petroleum operations reflected immproved prices for natural gas and some prodncts. Foreign petroleum earnings also increased, U.S. petroleum earnings were up $16m., at $112m.

Gross natural gas prodnction increased to 2.524hm. cubic feet daily, from 2.415bn., hut improved income from natural gas was partly offset hy higher exploration expenses, as the programme to find new reserves in the Gulf of Mexico and elsewhere in the U.S. was carried forward.

Tha results of the marketing-transportation - manufacturing complex were helped hy higher prodnct prices, thongh this was partly offset by extra costs arising from the unnsually cold weather in the first quarter. The profitability of the operations, the corporation says, "is still far from adequate."

Earnings a share were $2.07, against $2.09. Consolidated revenues, which includa Montgomery Ward and Container Corporation sales in the first quarter this yesr, were $8.2hn. Revenue figures for the 1976 first quarter are not given.

SWISS COMPANIES

Sales rise 5% at Ciba-Geigy

BY JOHN WICKS ZURICH, April 28.

GROUP SALES of the Ciba-Geigy chemical concern reached Sw.Frs.9.5hn. last year, the 5 per cent. increase marking a recovery after the setback of recession year 1975, when turnoover was down by 3 per cent. Particularly sharp increases were recorded for sales of plastics and additives, up 17 per cent. to Sw.Frs.1.6hn., and the product group dyestuffs and chemicals, which rose by 10 per cent. to Sw.Frs.2.04hn. Pharmaceutical turnover was up by the overall average of 5 per cent. to Sw.Frs.2.68hn. and sales of the Airwick companies by 3 per cent. to Sw.Frs.389m.

However, turnover of the Ilford photographic subsidiary remained almost unchanged at Sw.Frs.474m. for the year, while sales of agro-chemicals—hitherto a fast-growing sector of Ciba-Geigy activities—dropped back by 5 per cent. to Sw.Frs.2.28hn.

In 1976 as in previous years, the group turnover increased at a relatively modest rate due to the appreciation of the Swiss franc. Had parities remained unaltered over the year, total group sales would have gone up by 15, instead of only 5, per cent.

Group cash flow and profits were better than in the "very unsatisfactory" previous year, opersting cash flow for the group rising by Sw.Frs.195m. to Sw.Frs.940m. and group operating profits by Sw.Frs.129m. to Sw.Frs.320m. The profits figure was, however, below the targeted level, according to parent company Ciha-Geigy AG, of Basle.

The improvement of operationsl results for the group is attrihuted to the recovery in the dyestuffs and chemlcals product group and the plastics and additives sector and a slight higher profit on pharmaceutical business, as well as to specific measures in the parent and subsidlary companies to cut costs. Group investments, most of which were made in Europe and North America, were substantially less than 1975 at Sw.Frs.679m. (Sw.Frs.1.01hn.) for the year.

The parent compaoy is to recommend payment for 1976 of an unchanged dividend of SwFrs.22 per share and participation certificate from net profits up to Sw.Frs.117.4m. (Sw.Frs.112m.).

Demand fall hits Sulzer

DEMAND for the products of tha Swiss-based engineering group Sulzer Brothers has fallen off considerably over the past two years, according to parent company Gebrueder Sulzer AG, of Winterthur, reports our Zurich correspondent.

The expansion of investments in industrialised countries has been hindered by substantial over-capacities, while Sulzer points out that Swiss companies continue to suffer from tha Swiss-Franc exchange rate in competition with foreign firms. "It would be unrealistic to expect a return to tha long boom of the past in the foreseeabla future," says the undertaking in its annual report.

In 1976, gronp turnover improved by 8 per cent. over tha previous year's level to Sw.Frs. 3.52hn. consolidated group orders were down on 1975 to Sw.Frs. 3.46bn. (Sw.Frs.3.67bn.), however, and orders on hand declined by Sw.Frs.400m. to Sw.Frs.5hn. Since this work on hand is lower and new orders have not been received to the extent anticipated, Sulzer reckons with employment gaps in certain sectors of activity this year. It will, however, be possihle to accept orders with short delivery dstes.

Group investments were down to Sw.Frs.153m. (1975: Sw.Frs 190m.) and were centred on replacement and rationalisation projects in Switzerland and elsewhere. In South Africa and Brazil, pump capacities were expanded.

Socal growth

STANDARD OIL Company of California's net earnings in the first quarter of this year totalled $228m., or 25.3 per cent. more than the $182m. in the same period last year.

The quarterly dividend has been raised to 60c a share, from 55c.

Revennes in the quarter came to $5.4hn., against $4.9bn. a year earlier.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Alcan Aus. 8¾pc 1989	100½	101
Australia 8¾pc 1991	103½	104
Bowater 9¾pc 1986	104½	105½
Canadn. N. Rlwy 8¾pc 1986	101	101½
Credit. Nat. 8¾pc 1988	99½	100
Denmark 8¾pc 1984	101½	102
ECS 9¾pc 1988	104	104½
EIB 8¾pc 1988	101	101½
EEC 9¾pc 1989	100½	101½
Eran 9¾pc 1985	103½	104½
Ericsson 8¾pc 1989	100½	101½
Esso 9pc 1988 Nov.	104	104½
Eurofima 8¾pc 1993	102½	103½
Granges 9¾pc 1997	102½	103½
Gt. Lakes Paper 8¾pc 1984	100½	101½
Hamersley 8¾pc 1992	103½	104½
ICI 8¾pc 1987	99	99½
ISE Canada 9¾pc 1986	105½	106
Macmillan Bloedel 9pc 1992	102½	103
Massey Ferguson 9¾pc 1991	103½	104½
Michelin 9¾pc 1988	103½	104½
Midland Int. Fin. 8¾pc 1986	101	101½
Modo 9pc 1986	100½	101
Nat. Westminster 9pc 1988	103½	103½
Newfoundland 9pc 1989	103½	103½
Norges Komm. Bk. 8¾pc '91	99	99½
Norpipe 8¾pc 1989	99½	100½
Norsk Hydro 9pc 1991	102½	103½
Norsk Hydro 9¾pc 1992	99½	99½
Oslo 9pc 1983	102½	103½
Ports Autonomes 8pc 1991	100½	101
Prov. Quebec 9pc 1984	102½	103½
Prov. Saskatchwn. 8¾pc 1986	101½	102½
Quebec Hydro 9¾pc 1998	99½	100
Skandiska Enskilda 9pc '91	102½	103½
SKF 8pc 1987	98½	99
Volvo 8¾pc 1983	100	100½
Volvo 8pc 1987 March	97½	98
NOTES		
Australia 8¾pc 1983	103	103½
Australia 8¾pc 1986	102½	103
Bell Canada 7¾pc 1987	99½	100
Dow Chemical 8pc 1986	102½	103½
ECS 7¾pc '87	98	98½
EEC 8¾pc 1987	101½	102½
Enso Gutzeit 8¾pc 1984	97½	98½
Gotaverken 8pc 1982	101	101½
Hitachi Sishidz. 7¾pc 1984	97½	98½
Kockums 8pc 1983	100½	101
Michelin 8¾pc 1983	101½	102½
Montreal Urban 8¾pc 1981	101½	102½
Nat. Coal Board 8¾pc 1981	151½	102
N. Brunswck. Prov. 8¾pc '82	100½	101½
New Zealand 8¾pc 1986	100½	101½
Nippon Fudosan 8pc 1981	100	100½
Norway 7¾pc 1982	99	99½
Ontario Hydro 9pc 1987	99½	100½
Singer 8¾pc 1982	101½	102
Sth. Scotlnd. Elec. 8¾pc '81	101	101½
Swedish State Co. 7¾pc '82	99½	100½
Venezuela 8pc 1984	98½	99
Volkswagen 7¾pc 1987	98½	100
FLOATING RATE NOTES		
ANP 5¼ min. 1983	98½	99½
Bank of Tokyo Holding 6¼ min. 1981	100½	101½
CCF 7pc min. 1985	100½	101
Creditanstalt 7pc min. 1981	100½	101½
GZB 6pc min. 1983	99½	99½
IRJ 6pc min. 1982	99½	99½
Intl. Wstmnstr 6pc min. '84	99	99½
Lloyds 7¼ min. 1983	101½	102½
LTCB of Japan 6¼ min. '81	100½	100½
Midland 6pc min. 1987	96½	97½
Wms. & Glyns 6¼ min. 1984	100	100½
D.MARK BONDS		
Austria 6¾pc 1985	100	100½
Beecham 5pc 1983	103½	104½
Bergen 7¼pc 1989	102½	103
EFCE 7pc 1987	99½	100½
EIB 6¾pc 1984	100½	101½
ICI 7¾pc 1986	103	104
New Zealand 7¾pc 1986	104½	105½
Norway 6¾pc 1982	101	101½
Shell 6¾pc 1988	102½	103½
Statkraftverk 7¾pc 1985	100½	101
World Bank 7¾pc 1987	100½	101½
Source: White Weld Securities.		
CONVERTIBLES		
American Express 4¼pc '87	84	86
Ashland 5pc 1985	94½	95½
Beatrice Foods 4¾pc 1992	96½	98½
Beatrice Foods 4¾pc 1992	106	108
Borden 5pc 1992	105½	107½
Broadway Hale 4¾pc 1987	77	79
Canon Camera 7¾pc 1989	205	
Carnation 4pc 1987	84	86

	Bid	Offer
Chevron 5pc 1988	124	126
Dart 4¼pc 1987	78	80
Eastman Kodak 4¼pc 1988	93	95
Economic Labs. 4¼pc 1987	80	82
Fed. Dept. Stores 4¼pc '85	100	102
Firestone 5pc 1988	85	87
Ford 6pc 1986	94½	100½
Ford 5pc 1988	87	89
General Electric 4¼pc 1987	87	89
Gillette 4¾pc 1987	79½	81½
Gould 5pc 1987	126	128
Gulf and Western 5pc 1988	82½	84½
Harris 5pc 1992	118	120
Honeywell 6pc 1986	89	91
ITT 4¾pc 1987	63	65
Komatsu 7¾pc 1989	102½	103½
J. Ray McDermott 4¾pc '87	132	134
Mitsubishi Elec. 7¾pc 1991	129	130½
Mitsui 7¾pc 1990	110½	111½
J. P. Morgan 4¾pc 1987	97½	98½
Nabisco 5¼pc 1988	97½	98½
Owens Illinois 4¾pc 1987	123½	125½
J. C. Penney 4¾pc 1987	79½	81½
Pioneer 8¾pc 1989	296	
Raymond 8¾pc 1988	129½	131½
Revlon 4¾pc 1987	102	104
Reynolds Metals 5pc 1988	97	99
Sperry Rand 4¾pc 1987	86½	88½
Squibb 4¾pc 1987	77½	79½
Texaco 4¾pc 1986	92	94
Toshiba 8¾pc 1990	110½	112
Union Carbide 4¾pc 1982	102½	104½
Warner Lambert 4¾pc 1987	83	85
Warner Lambert 4¾pc 1988	77½	79½
Xerox 5pc 1988	80	82
Source: Kidder, Peabody Securities.		

WEST MIDLANDS COUNCIL ELECTION

BY ARTHUR SMITH

Labour on the defensive

THE SHADOW of the demoralising Labour defeats at the Stechford and Walsall North Parliamentary by-elections looms large over the campaign for control of England's second largest local authority, West Midlands Metropolitan Council.

Morale within the Labour group is low, even though it is only four years since Labour swept all before it to pick up 72 of the 104 seats on the council. Councillors are on the defensive, stressing what they have achieved at the local level and trying to shrug off the unpopularity of Mr. Callaghan'a Government at Westminster.

By contrast, the Conservatives are running a high-profile campaign, almost smacking their lips at the prospect of taking power and hacking away at the "giant empire" built up by the Socialists.

Cash controls, business efficiency and a cut in the official bureaucracy are predictable key points of the Conservative assault. "Under Labour control, county ball provides third-tier jobs at £11,000 a year with inflation-proof pension, telephone allowance, car allowance, etc," the manifesto declares.

But such traditional party posturing is almost wholesome against the lurking threat of the National Front. Following their success at Stechford in losing their deposit, but knocking the Liberals into fourth place, NF spokesmen are claiming they are now Britain's third party.

In a major propaganda gesture they are contesting 53 seats, 9 more than the Liberals. They are unlikely to win anywhere, and at best can hope to come a poor third behind Labour and Conservative. Of that much the pundits are convinced. The more disturbing consideration is the extent to which the NF represents a more fundamental disenchantment with the established political process.

Urban

To the frustration which might be caused by the inability of national government of either party to improve the country's basic economic position can be added the peculiar problems of the West Midlands.

Much smaller than the economic planning region, the county authority nevertheless administers a predominantly urban area of approaching 1,000 square kilometres with a population of 2.74m. Stretching from Coventry, the symbol of the motor car era in the south, through the rambling conurbation of Birmingham to the Black Country areas of Wolverhampton and Walsall, the county has tried to pull together the aspirations of seven lower-tier district councils. This has been at a time when unemployment has climbed to its highest since the war and confidence has suffered a severe jolt with the collapse, in 1975, of the two motor car giants, Chrysler and British Leyland.

The area is only slowly moving out of recession. Against such a background, the legacy of poor housing in inner city areas, the high influx of immigrant labour and consequent social tensions appear more severe.

Under Sir Stan Yapp, the Labour leader, the council has warned that on present regional policies it faces the threat of becoming a depressed area. The strategic planning function has been interpreted in its widest sense, with the council campaigning at national level for special treatment. "We have felt we are more like an economic planning council and have provided a useful blueprint for what any regional body should do," Sir Stan explains.

Indeed, in common with leaders of the other major parties, he believes reorganisation of local government has failed. Whereas Sir Stan advocates regional local authorities with their councils assuming responsibility for functions like hospitals, the Conservatives argue that the present structure has got to be made to work.

Mr. John Taylor, a successful Solihull solicitor and Conservative leader, inveighs against the economic planning role and the bureaucracy created at county hall. The Conservatives would confine activities merely to the statutory functions of the council and ensure they were undertaken at maximum efficiency.

The council's payroll, currently running at £62m. a year could be reduced by natural wastage and redeployment by 10 per cent. a year, he maintains. Indeed, with an annual capital budget of more than £27m. and revenue spending of £165m., the metropolitan county is big business. The Conservatives have evoked controversy with their pledge to "drastically reduce" the £20m. subsidy which goes to public transport and their promise to "grasp warmly by the throat" the council's elaborate consumer protection service.

But for all the councillors' efforts to generate local issues and breathe life into a very dull campaign, apathy and boredom are likely to be the victors.

The response from residents of Hillaries Road, a terrace which stands in the shadow of Birmingham's famous Spaghetti Junction, is all too typical. There are housing issues, an immigrant community, and a National Front candidate, but apparently little to arouse the emotions. Canvassers are greeted by grunts of acknowledgement, ingenuous smiles, and a quick retreat to the television screen.

Confusion is rife about just what the grand sounding Metropolitan County does and what the latest round of elections is

all about. Voting as always will be guided largely by national issues. The swing against Mr. Heath'a Government, which gave the Labour party such a resounding victory in 1973, is firmly in reverse and should be enough to clinch a narrow win for Mr. Taylor and his colleagues.

That must certainly be the forecast on the experience of the last three annual district council elections which have seen Labour's dominance crumble from the 1973 position when it held all the seven lower-tier authorities with the exception of solidly respectable Solihull. Birmingham fell to the Tories last year and control of Coventry has just changed hands following the death of the Labour lord mayor.

Party organisation will play a key role in getting supporters to the poll. In the last county election, the West Midlands, with a turnout of only 33 per cent., recorded the second poorest response of the 39 English counties, and there is little to indicate that the position will be any different next Thursday.

The pattern throughout the county is by no means uniform and there will be some intriguing local battles. The Liberals, in particular, will be on the defensive to retain the four seats they held last time. Liberal leader, Mr. Paul Tilsley, is confident that the party's brand of community politics will be enough to prevent the two inner Birmingham seats of Aston and Duddeston slipping back to the Labour party.

Prospects at Sutton, where the Liberals surprisingly picked up two seats from an over-confident Conservative organisation, only to see the wards revert to their traditional allegiance a month later in the district elections, look bleak. Two factors expected to work against the Liberals are the Lib.-Lab. agreement at Westminster and the fact that the party is only contesting 44 of the 104 seats.

Mr. Tilsley argues that the emphasis should be on "quality rather than quantity," but there are others who insist that the Liberals have made a psychological blunder in not at least maintaining the pretence that an unexpected surge of electoral support could give them control of a major authority.

Significantly the National Front has found itself at the centre of the only incident of the election so far. Mr. Keith Jowsey, chairman of the West Midlands council of the Front, says it will fight in the courts if necessary to prove it was not responsible for sending out letters on official Sandwell Council notepaper telling residents they might be required to take in homeless Asian families. "We have brought this up as an election issue. We want to know who is responsible," Mr. Jowsey insists.

He refuses "on orders from head office" to divulge how many members the party has in the West Midlands, but claims gathering support.

Mrs. Joan Harrison, one of the Front's candidates in Coventry, where all the seats are being contested, says it is too early to get doorstep reaction. "We usually wait till the last week of the campaign to do our canvassing." And would she have many helpers? "Oh just the two of us, one each side of the street. We are not like the Labour Party with all their workers you know."

Whichever of the two major parties turns out victorious on May 5, the longer term personal leadership of the council might still remain in doubt. There is a possibility that even if Labour holds control, Sir Stan Yapp may be defeated in his own constituency of Erdington. Though he is defending a majority of more than 2,000, this was turned round to give the Conservatives a lead of nearly 1,000 at the last district council election.

For Mr. John Taylor, an early general election could pose problems as his two principal lieutenants, Mr. Anthony Beaumont Dark and Mr. David Gilroy Bevan are both parliamentary candidates in marginal constituencies.

The West Midlands election, apart from the individual results and the overall balance of power, could offer valuable pointers to the general trend of politics in the U.K.

JAPANESE COMPANIES

Bank help for Kanematsu

BY DOUGLAS RAMSEY

TOKYO, April 28.

JAPAN'S number-eight trading company, Kanematsu-Gosho, has sought and got from its main bankers some relief from its mounting debt burden, estimated at over Y40bn. (£80m.) in the fiscal year just ended. News of the "rescue," mastermind by the Bank of Tokyo, was splashed across the front page of the Daily Nihon Keizai Shimbun this morning, and took most foreign bankers by surprise.

One or two other Japanese companies carried out much the same sort of investment in real estate before the oil crisis as did Kanematsu. Kanematsu's loans outstanding to real estate subsidiaries amounted to roughly Y40bn. at the end of March, and constitute the biggest single burden on Kanematsu's finances because the company has no way of calling in the loans. The company also suffered a large but undisclosed debt loss in the bankruptcy of Toyo Valve last year.

According to news reports, the Bank of Tokyo and DKB, Kanematsu's two biggest bankers, have agreed to reduce interest rates on repayments on their portion of Kanematsu's estimated total loans outstanding at March 31 of Y473.3bn. The relief would be conditional, sources said, on efforts by Kanematsu to reduce its loss-making activities.

Although real estate losses are Kanematsu's biggest eyesore, it appears that it is the trading company's close involvement with a medium-sized steel company, Funabashi Steel, that has broken the camel's back. The steel company fabricates steel sheet and round steel bars which are now reportedly selling overseas at a 25 per cent. loss of about Y17,000 per ton. Kanematsu has a 49.9 per cent. stake in the unquoted company which is capitalised at Y2.4bn. and employs 424 people.

It is presumed in Tokyo that most of the funds for Funabashi's electric furnaces came from Kanematsu long before the present downturn in the steel market, leaving Kanematsu with frozen loans to its subsidiary of approximately Y23bn. According to the Nihon Keizai Shimbun, the Bank of Tokyo move will let Kanematsu reduce the interest on about Y15bn. worth of its outstanding loans to Funabashi.

Some bankers are obviously worried that Kanematsu's troubles run deeper than has been dug so far. Big steel companies anticipate that the smaller ones could suffer a 50 per cent. cut in output this year, pushing many of them into rerelvership. So Kanematsu's holdings in steel and other metals (18 per cent. of total sales) could be a real drag, this coming on top of its headaches from still doing about 26 per cent. of its business in textiles. In the company's favour, however, are the 50 per cent. of sales off of machinery, construction, foodstuffs and petrochemicals.

Although news of Kanematsu's troubles only surfaced to-day, sources on the Tokyo Stock Exchange point out that there has been a noticeable drop in Kanematsu's share over the last seven days despite a constant increase in the number of shares traded daily, up from 1,000 shares a week ago to 30,000 shares traded yesterday, before taking a steep 5 per cent. plunge in the share price to-day on trading of about 85,000 shares.

The decline of Kanematsu's fortunes is all the more surprising in that most experts think the company will turn in a better sales and profits performance for the fiscal year just ended than it did in fiscal 1975. The most recent estimate is for a 28 per cent. increase in profits after tax at around Y800m. (Y625m. in 1975). But the level is still way below the Y2.4bn. profits Kanematsu showed in fiscal 1974, and most of the profits come from gains of sales of securities, not operating revenue.

Whether Kanematsu will go in for a major rehaul of the company is still unclear, and may depend on the extent to which DKB and smaller bankers are willing to cut their interest rates accruing. The Bank of Tokyo itself holds 15 per cent. of Kanematsu's debt, DKB about 10 per cent., Taiyo Kobe Bank, Tokai and others owed the rest.

Ajinomoto withdrawal

By Charles Smith

AJINOMOTO, a major Japanese manufacturer of food flavourings, and processed foods has withdrawn from what, until this week, was Japan's largest manufacturing joint venture in Italy—a Lire 2.6bn. monosodium glutamate plant which was operated jointly with INSUD.

Ajinomoto was guarded about the reasons for withdrawal this afternoon but it is understood that sharply rising raw material costs together with uneasy labour relations were the two main factors.

A spokesman for the company admitted that there had been "frequent strikes" but declined to elaborate. Accumulated losses are believed to amount to about $8m. Sales were running at around $10m. per year to Italy and other EEC countries. Ajinomoto—INSUD was established in 1963 originally as 50-50 venture between the Japanese and Italian partners.

Ajinomoto's departure leaves four other Japanese manufacturing investments in Italy. There are a 100 per cent. owned YKK zip fastner plant, and joint ventures involving Shiseido (Cosmetic) Sekisui (chemicals) and Kurita Kogyo (water purification equipment). Japanese manufacturing investments in Europe and the U.S. normally take the form of wholly-owned Japanese subsidiaries not of joint ventures with local partners. The stress on joint ventures in Italy may be due to language problems.

A spokesman for the Italian embassy in Tokyo said to-night that his Government had tried hard to attract Japanese investment but there had been "difficulties." These included lack of infrastructure in the South and "manpower problems."

Asked to elaborate on the latter the spokesman mentioned Japanese "lack of sophistication" in the handling of labour. The Japanese Press, on the other hand, attributed Ajinomoto's lack of success in Italy to the effects of "Italian disease," meaning an unwillingness by Italian workers to put as much effort into the job as Japanese workers would normally be expected to do.

Ajinomoto is one of Japan's more active overseas investors with four plants in South-East Asia and a recently completed sodium glutamate factory in Brazil.

Matsushita sales improve by 19%

MATSUSHITA Electric to-day reported that its sales in the first quarter of the current fiscal year to February 20 increased 19 per cent. over the same quarter last year to a new peak of Yen 438.8bn., Yoko Shibata writes. Sales performance was improved by a 53 per cent. increase in exports to Yen 121bn. Foreign demand was strong for colour television sets and audio equipments.

Healthy exports compensated for the slow growth in domestic sales which increased by 10 per cent.

Of the total sales, exports accounted for 27.6 per cent., up from 21.8 per cent. over a year ago. Exports of colour television sets went up by 84 per cent. to Yen 17.7bn. owing to a sharp increase in exports to the Middle and Near East and European markets. North America however still accounted for about 30 per cent. of total overseas sales, unchanged from previous terms.

Consolidated net income in the same term went up by 36 per cent. to Yen 17bn. Net income per share was Yen 17.10 up from Yen 12.57 a year before.

Japan to authorise Philippine borrowing

By Our Own Correspondent

TOKYO, April 28.

JAPAN WILL authorise the Central Bank of the Philippines to borrow on the Tokyo capital market. The informal decision came at the close of a four-day official visit by President Ferdinand Marcos to Japan, but could have wider implications for borrowings of other developing countries because it re-opens a facility shut in December, 1973.

Private sources have confirmed that Manila hopes to issue some Y10bn. (£20m.) worth of private paper this summer through Nomura Securities. The decision to let the Philippines make a private placement came after several months' negotiations during which Nomura attempted to earn Manila the right to issue public debentures in the Tokyo market (the only South-east Asian to do so thus far was Singapore in late 1976).

The Ministry of Finance rejected Manila's earlier bid on the grounds that borrowers of Yen on the public market do not qualify without having had previous experience of at least three international public borrowings in the last five years. Nomura argued on behalf of the Central Bank that the Philippines has made three bond placements in the Middle East, but the Ministry of Finance maintained that these were private issues. Under some political pressure to approve a Philippine borrowing, the Finance Ministry has apparently allowed Manila to make the private placement.

In giving the green light the Ministry of Finance has effectively lifted a three-year ban on such efforts in the Tokyo market. The last such issue, for the Mexican State-owned oil company Pemex, was in December, 1973.

Bond dealers now expect a long queue for private placement rights in Tokyo, particularly because of the eligibility rules for public ones. The sources expect that South Korea will be among the first to file its papers for a private placement.

Meantime, the market for public foreign Yen bonds seems to have got a boost from the lowering of Japanese interests. The Interamerican Development Bank (IADB) which, because of high interest rates, postponed plans for a March issue is negotiating to come to the market as soon as possible with a Y15bn. offering.

ITT to cut stake in Standard Elektrik Lorenz

BY GUY HAWTIN

FRANKFURT, April 28.

ONE MILLION shares in Standard Elektrik Lorenz are to be offered to the public through the West German stock exchanges on May 5. The company is a subsidiary of International Standard Electric Corporation, itself 100 per cent.-owned by International Telephon and Telegraph, the giant U.S. conglomerate.

The offer, which is being managed by a consortium of leading West German banks, will lead to an increase in the proportion of Standard Elektrik Lorenz's equity in independent hands from the current 0.56 per cent. to 14 per cent. At the same time, it will reduce ITT's holding in the company to 86 per cent.

ITT stated, however, that this should not be taken as an indication of its intention to cut back its involvement in the West German market. The offer was intended to strengthen the "international element" of the concern's shareholding. It would also provide the financial strength for further acquisitions.

Herr Helmut Lohr, chief executive of Standard Elektrik Lorenz (SEL), said to-day that the concern's supervisory board had approved a DM27m. increase in SEL's nominal capital. Of this, shares worth a nominal DM25m. would be offered to the public at a price of DM200m. per DM50 nominal share. Concurrently, International Standard Electric would put on the market shares of its own worth a nominal DM25m.

The combined value of the offer is around the DM200m. mark and a condition is that the majority shareholder is guaranteeing the independent shareholders a dividend of 21 per cent., or DM10.50 per share, up to, and including, the 1985 business year.

Leading the consortium managing the offer is the Dresdner Bank, West Germany's second largest commercial bank. The two other members of the banking "Big Three," the Deutsche Bank and Commerzbank, are also participating, as is the Bayerische Vereinsbank of Munich.

The shares will be offered on May 5 on the Frankfurt, Dusseldorf, Hamburg, Munich, Berlin and Stuttgart stock exchanges. The remaining DM2m. nominal worth of shares created as a result of the SEL increase in capital will be offered later to SEL's employees.

Peak quarter for Ford Motor

BY JAY PALMER

NEW YORK, April 28.

FORD MOTOR, America's second largest car maker, this evening reported that both its sales and its net earnings had risen to peak levels in the first three months of this year. The advance was attributed primarily to a sharp rise in unit sales, recent price increases and a swing in demand over the period to more profitable vehicles.

During the quarter, Ford's unit sales increased by 12 per cent. to just over 1.6m. vehicles. Dollar sales, reflecting price increases which came into effect last autumn, rose 24 per cent. to $9.21bn. from $7.34bn.

Thanks to the swing in demand (apparently to larger cars) and a resulting dramatic rise in profit margins, the company was able to report three months net profits up 47 per cent., ahead of most expectations, to $482.7m. from $328.1m. Earnings per share after a full dilution were $4.71 compared with $3.22.

The company stressed, in its statement that, although the profit margin on sales had risen to about 5.3 per cent. now compared to 4.5 per cent. a year ago, the current level was still well below the peak return of about 6 per cent. seen in the first quarter of 1977.

Although Ford does have a considerable large car range its main strength historically has been in the middle sized and smaller vehicles. Given the thrust of President Carter's energy plan, this side should do well over the long term while the immediate outlook seems bright given the way the company's sales have sharply recovered from last autumn's strike.

BOND TRADING

Solid demand reported

BY FRANCIS GHILES

NEW EUROBOND issues were trading in some cases at a slight discount in the market yesterday but considering the amount of paper on offer, dealers said that demand remained "solid" and there was no sign of indigestion. The question of how far the dollar might fall against the mark and the yen caused no particular worry and the uncertainties stemming from the problems of Crédit Suisse had no effect: Crédit Suisse Certificates of Deposits in the London money market did not move, a clear indication of confidence.

A number of new DM and U.S. dollar issues were priced yesterday. The $40m. Reed International issue was priced at par; lead manager is S. G. Warburg. The $25m. for City Investing managed by Blyth-Eastman Dillon was increased to $30m. and priced at par.

It was well received in the secondary market and traded yesterday at 99¼-½. The $20m. bond for Kajima, managed by Daiwa and Morgan Stanley and carrying a coupon of 1⅞ per cent., was priced at par, and the $60m. for Ashland Oil, managed by Paribas and carrying a coupon of 7¼ per cent. was priced at 100¼.

Meanwhile the World Bank's DM400m. 6¼ per cent. 10-year Eurobond was priced at 99½; lead manager is Deutsche Bank.

In the D-mark sector of the market the DM150m. six-year Eurobond carrying a coupon of 6¼ per cent. and the DM150m. 10-year issue carrying a 7¼ per cent. coupon both managed by Westdeutsche Landesbank Girozentrale were both priced at par but only DM200 was effectively on the market as WDL had replaced DM50m. Both issues were being traded at 99½-¾ which the lead managers said indicated good support.

Single auction market plan in Canada

BY JAMES SCOTT

TORONTO, April 28.

A SINGLE auction market for trading in all Canadian securities is recommended in a study carried out under the sponsorship of the Toronto Stock Exchange. It also recommends that competitive or negotiated commission rates charged by brokers be introduced gradually replacing the present fixed rate system based on the price of the shares being traded.

Under the proposals financial institutions such as banks and insurance companies would be denied direct access to the market and, conversely, brokers would be prohibited from managing pooled accounts such as pension and mutual funds leaving that task to financial institutions.

Additional proposals are that Canadian companies should be permitted to list their securities in Canada only and not on foreign Stock Exchanges and that a computerised auction market should be developed for retail trading of bonds.

Mr. Frederic McCutcheon, chairman of the Toronto Stock Exchange, said only two of the recommendations might evoke strong disagreement from a majority of the people in the industry. One of these is the suggestion that commission rates be negotiated. The Exchange has already declared itself in favour of fixed commission rates and Exchange officials are to appear before the Ontario security commission in June to defend a schedule of fixed rates approved by members earlier this month.

The suggestion that Canadian companies list their securities only in Canada is one that has not been widely debated.

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WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Modest gain on money supply figures

BY OUR WALL STREET CORRESPONDENT

NEW YORK, April 28.

THE STOCK MARKET managed to maintain Wednesday's upward momentum, but scored only a modest gain in quiet trading.

Some support came from anticipation of flat to slightly lower U.S. money supply for the latest bank statement week. The key aggregates were up sharply during the last two statement weeks. This relieved market fears of an imminent move by the Federal Reserve to tighten monetary policy.

A U.S. Government report of a 2.2 per cent. rise in retail sales in the week ended April 23 was also seen as bullish. This advance reversed a decline of 0.9 per cent. in the previous week and left sales 12 per cent. ahead of the same week a year earlier.

The Federal Reserve Bank of New York reported after the close that basic money supply (M-1) fell $300m. in the week ended April 20 while the broader M-2 aggregate was down $900m.

THURSDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Westinghouse Elec.	594,200	21¼	+⅛
The El Paso Co.	294,700	16⅞	−⅛
General Electric Co.	211,800	52¾	+1
Westinghouse Elec.	584,200	21¾	+1
Babcock Wilcox Co.	175,700	42⅞	+1½
Digital Equipment	171,700	38⅜	−1
British Petroleum	170,200	15⅞	−⅛
Gerber Products	144,500	28⅛	−⅜
S.S. Kresge	139,100	29⅝	+⅛
Eastman Kodak	130,400	53⅛	−⅝

The Dow Jones Industrial Index closed at 927.32, up 3.56 and the NYSE Common Stock Index closed at 55.54, up 0.12. Gains led losses 775-634 in a turnover of 18.37m. shares compared with 20.59m. on Wednesday. The Utilities, Transport and Stock indices all gained fractionally.

On the upside, Sears advanced $1⅛ to $57⅝. International Harvester put on $1 and Diamond Shamrock rose $1⅛ to $33¾. NCR Corporation, which introduced three new computer systems, was up $⅜ at $33⅝.

General Motors rose $⅛ to $68⅛. Although the company's first quarter earnings were higher, the results were slightly below forecasts. Ford Motor declined 25 cents to $54½. The company's report of sharply higher first quarter earnings came after the close. Chrysler was unchanged at $18.

IBM fell $1¾ to $259½, Digital Equipment, which had higher profits, gave up $1 to $38⅜ and Phillips Petroleum was $1 at $54¾. UAL, which reported a first quarter loss, declined ⅛ to $21.

Prices on the American Stock Exchange closed higher in moderate trading. Volume was 2.29m. shares compared with 2.52m. on Wednesday. The Amex index closed at 111.76, up 0.19.

OTHER MARKETS

Canada lower

Canadian markets closed moderately lower, with the Toronto Stock Exchange index 2.3 lower at 994.0. However, advances were narrowly ahead of declines. Golds fell 19.1 to 1,004.4 and Metals declined 2.7 to 1,110.9.

Among the largest changes Foodcrop gained $1¼ to $7, Doma Petroleum was off $1¼ to $40⅜ and Texasgulf lost 75 cents to $28¾.

Foodex was up 75 cents to $7¼ and Nowsco Well made the same gain to $23⅜. But Labatt "A" slipped $⅜ to $16⅜. Volume was 2,961,040 shares.

PARIS—Market continued to decline following the economic package announced by Prime Minister Raymond Barre on Tuesday.

The Retail Price Index, showing inflation accelerated in March, was the latest factor to depress share prices.

Metals and Stores recorded the heaviest falls, with Marine dropping 6 per cent., Usinor and Vallourec 4 per cent. each, Bail Investment 5 per cent., and Lafayette 3 per cent.

BSN shed 1 per cent. although it reported a return to profit in 1976, while Beghin-Say dipped 4 per cent. on a heavier loss for last year.

American stocks, Belgian, Dutch and German issues were steady to higher. Coppers were hesitant, while Golds fell.

BRUSSELS—Mixed in more lively trading.

In Foreign stocks, U.K., German and U.S. issues were higher, Dutch shares little changed, Canadians steady to firm, while French stocks were lower.

AMSTERDAM—Easier trend, partly reflecting the declining U.S. dollar.

Banks, Insurances, Transportations and Dutch Industrials declined slightly.

Bonds also eased.

SWITZERLAND — Generally slightly higher in quieter activity.

The Swiss National Bank statement may have contributed to the better market sentiment.

In generally steady Banks, Leu rose more markedly on its 5 per cent. increase in its balance-sheet total in first quarter 1977.

Financials were narrowly mixed, while Industrials were mostly well-maintained.

Dollar stocks firmed. Dutch Internationals were narrowly mixed, while Germans were very steady.

GERMANY—Shares gained up to DM2 in active trading reflecting Domestic and Foreign Institutional demand.

Activity was centred on Motors and Engineerings, with Mercedes Holding rising a further DM3. KHD and MAN each advanced DM5. Preussag moved DM5.5 and Vega DM1.20, while Bayer rose DM1 on a dividend of DM8 (DM7).

Leading Banks, Chemicals and Electricals put on up to DM2.90, led by Siemens. Thyssen gained DM2.

Public Authority Bonds moved up to DM0.30 either way, and the Regulating Authorities sold DM5.5m. nominal of stock. Mark Foreign Loans were mixed.

SPAIN—Little movement in quiet trading. Electricals were marginally better but elsewhere stocks were slightly lower.

MILAN—Selectively higher in thin trading.

Bonds firmed in modest trading.

COPENHAGEN — Mixed in active dealings.

OSLO — Bankings and Insurances were quiet, while Industrials and Shippings were easier.

VIENNA—Quietly steady in very restricted activity.

TOKYO—Mainly higher, led Electricals and some Blue Chips. Volume 190m. (180m.) shares.

Sony added Y50 at 2,690, Matsushita Communication Y60 at 1,270 and Nippon Victory Y14 at 919.

Motor Parts, Pharmaceuticals, "small-sized" Machines and Precision Instruments were generally better, but interest slackened towards the close ahead of to-day's holiday.

Nippon Oil lost Y15 to 400 on profit-taking, and Kanematsu Gosho shed Y9 to 208 after saying it is asking its creditor banks for a reduction in interest payments on some of its outstanding loans.

JOHANNESBURG—Gold shares eased towards the close in quiet trading.

Financial Minings followed Producers. Coppers lost ground with Palamin 10 cents off at R10.90. Platinums maintained earlier small gains while other Minerals were mixed.

Collieries were weaker and Industrials drifted off in small dealings.

AUSTRALIA—Generally firmer. Among Minings, Andimco gained 13 cents to $A1.38, Peko Wallsend 10 cents to $A5.20, CRA 2 cents to $A3.21, Mount Isa 2 cents to $A2.32 and Hamersley 3 cents to $A2.83, but Queensland Mines lost 5 cents to $A2.10 and Central Norseman declined 10 cents to $A3.20.

BHP put on 2 cents to $A6.34, and EZ Industries 5 cents to $A3.20.

D-mark firm

The record U.S. trade deficit in March continued to overshadow trading in the foreign exchange market yesterday, while expectations of an increase in the West German trade surplus for the same month led to demand for the D-mark. Comments from an official of the Bundesbank that the German authorities would not oppose a lasting rise in the D-mark may have also contributed to the currency's general improvement, and it finished at DM2.3570 in terms of the dollar, compared with DM2.3625 previously. The D-mark's trade-weighted appreciation since the Washington Currency Agreement of December 1971, as calculated by Morgan Guaranty of New York, increased to 29.53 per cent. from 29.35 per cent.

Morgan Guaranty's calculation of the dollar's depreciation since the Washington Agreement, widened to 1.17 per cent. from 1.05 per cent.

Sterling was slightly easier against the dollar at the close, but the authorities may have added more foreign currency to the reserves at around the $1.7200 level. The pound remained within a narrow range of $1.7190 to $1.7200 throughout, before closing at $1.7190-1.7195, a fall of 7½ points on the day. Its trade-weighted index against 20 major currencies on the basis of the Washington Agreement, as calculated by the Bank of England, fell to 61.6 from 61.7, after standing at 61.7 at noon and in early dealings.

Gold fell $1½ to $145¾-146½ in active trading. It touched a low point of $145½-146, but buying interest increased towards the close. The krugerrand's premium over its gold content widened slightly to 3.34 per cent. from 3.30 per cent. for domestic and international delivery.

GOLD MARKET

	April 28	April 27
Gold Bullion (fine ounce)		
Close	$145¾-146½	$147¼-148
Opening	$146¼-147	$147¼-148
Morning fixing	$146.50 (£85.252)	$147.50 (£85.706)
Afternoon fixing	$145.50 (£84.666)	$147.50 (£85.756)
Gold Coins domestically		
Krugerrand	$150-152 (£87¼-88¼)	$151½-153½ (£88¼-89¼)
N'w Sov'r'gns	$49¾-51¾ (£29-30)	$49½-51½ (£28¾-29¾)
Old Sov'r'gns	$46¾-48¾ (£27¼-28¼)	$46¼-48¼ (£27-28)
Gold Coins (internat'lly)		
Krugerrand	$150-152 (£87¼-88¼)	$151¼-153¼ (£88¼-89¼)
N'w Sov'r'gns	$48¾-50¾ (£28½-29½)	$49½-51½ (£28¾-29¾)
Old Sov'r'gns	$42¾-44¾ (£25-26)	$43-45 (£25-26)
$20 Eagles	$222¼-225¼	$224¼-227¼

FOREIGN EXCHANGES

April 28	Bank Rates %	Market Rates Day's Spread	Market Rates Close
New York	5¼	1.7190-1.7200	1.7190-1.7195
Montreal	8	1.8010-1.8058	1.8035-1.8055
Amsterdam	4½	4.20½-4.23½	4.21-4.22
Brussels	7	61.75-62.10	61.85-61.95
Copenh'gen	9	10.23-10.26½	10.25¾-10.26¼
Frankfurt	3½	4.04½-4.07	4.05-4.06
Lisbon	6	66.30-66.65	66.35-66.55
Madrid	7	118.00-118.75	118.45-118.65
Milan	15	1,522-1,527	1,524-1,525
Oslo	8	9.04½-9.07½	9.05½-9.06½
Paris	10½	8.51½-8.54	8.52½-8.53½
Stockholm	8	7.44-7.47½	7.44½-7.45½
Tokyo	5	472-482	475-478
Vienna	4	28.70-29.00	28.80-28.90
Zurich	2	4.32-4.34½	4.32½-4.33½

‡ Rates given are for Convertible francs. Financial franc 61.85-62.15.

SPECIAL DRAWING RIGHTS RATES

One SDR is equal to	April 28	April 27
Sterling	0.670899	0.674827
U.S. dollar	1.15214	1.16050
Belgian franc	41.5551	41.9985
Deutschemark	2.73858	2.74890
French franc	5.76392	5.79724
Italian lira	1020.55	1028.04
Japanese yen	322.792	323.085
Dutch guilder	2.84641	2.85831
Swedish krone	5.04156	5.04818
Swiss franc	2.93371	2.93479

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

OTHER MARKETS

			Notes Rate
Argentina	602.76-602.86	Argentina	610-618
Australia	1.5604-1.5657	Austria	28¼-29¾
Brazil	22.82-25.02	Belgium	61¾-63¾
Finland	6.58-6.87½	Brazil	25-28
Greece	62.885-64.465	Canada	1.79-1.81½
Hong-Kong	7.98½-8.01	Denmark	10.04-.45
Iran	120-124	France	8.40-8.60
Kuwait	0.475-0.485	Germany	3.95-4.15
Luxemb'g	61.85-61.95	Greece	62-65
Malaysia	4.2680-4.2780	Italy	1470-1540
N. Zealand	1.7795-1.7975	Japan	470-490
Saudi Ar.	6.02-6.12	Netherl'd	4.15-4.30
Singapore	4.2290-4.2410	Norway	8.95-9.15
S. Africa	1.4875-1.5058	Portugal	64-69
U.S.		Spain	116½-120½
Canada		Switz'land	4.30-4.40
C$1—		U.S.	1.71¼-.75¼
U.S. cents	95.33-95.36	Yugoslav'a	32-34

Rate given for Argentina is free rate.

EXCHANGE CROSS-RATES

April 28	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Fr'nkfurt	—	2.3578-83	47.52-57	6.547-52	4.050-54	96.18-22	93.65-70
N. York*	42.40-42	—	20.15-17	2.765-770	1.7190-95	40.77-79	39.85-88
Paris	210.315-710	4.9647-9667	—	13.777-8015	8.5416-541	202.395-79	196.90-36
Brussels	15.26-29	35.92-36.01	7.25-27	—	61.84-95	14.68-71	14.28-32
London	4.05-06	1.7190-95	8.52¼-53½	61.85-96	—	4.21-22	4.32¾-33¾
Amst'd'm	103.905-955	2.4497-4522	49.41-46	6.801-65	4.2215-65	—	97.345-395
Zurich	106.77-85	2.5178-86	50.76-79	6.9875-995	4.327-330	102.77-85	—

U.S. $ in Montreal U.S. $ = 104.66-69 Canadian cents.
Canadian $ in New York. C$ = 95.48-95.50 U.S. cents. U.S. $ in Milan 886.60-90.
Sterling in Milan 1524.30-1525.29. *Rate for April 27

EURO-CURRENCY INTEREST RATES*

April 28	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	2½-8¾	4¾-5	6½-7½	3½-3¾	4⅜-4½	20-23
7 days notice	6¾-7¼	4⅞-5⅛	6¾-7¼	3½-3¾	4⅜-4½	0-3½
Month	8¼-8¾	4⅞-5⅛	7¼-7⅝	4⅛-4⅜	4⅜-4½	3-3½
Three months	8⅞-9⅜	5⅛-5⅜	7¼-7⅝	4½-4¾	4⅜-4½	3⅜-3⅝
Six months	9½-10	5⅜-5⅝	7⅜-7¾	3½-5⅜	4⅜-4½	3⅛-3⅜
One year	10⅛-10½	5⅞-6⅛	7⅜-7¾	5¾-6	4⁷⁄₁₆-4⁹⁄₁₆	3¼-3½

Euro-French deposit rate: two-day 9½-9¾ per cent.; seven-day 9½-9¾ per cent.; one-month 9½-9¾ per cent.; three-month 9½-9¾ per cent.; six-month 9¾-10 per cent.; one-year 10¼-10¾ per cent.

Long-term Eurodollar deposits: two years 6⅞-6⅞ per cent.; three years 7⅛-7⅜ per cent.; four years 7¼-7⅝ per cent.; five years 7⅝-8⅛ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 4¹⁵⁄₁₆-5¹⁄₁₆ per cent.; three-month 5³⁄₁₆-5⁵⁄₁₆ per cent.; six-month 5½-5⅝ per cent.; one year 5⅝-5¾ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

FORWARD RATES

	One month	Three months
New York	0.55-0.45 c. pm	1.63-1.53 c. pm
Montreal	0.25-0.15 c. pm	0.55-0.45 c. pm
Amst'dam	2-1 c. pm	5¼-4¼ c. pm
Brussels	15 c. pm-par	35-15 c. pm
Cop'nh'gen	1¾-2½ ore dis	3¾-5¾ ore dis
Frankfurt	1⅞-⅞ pf pm	5⅛-4⅛ pf pm
Lisbon	5 c. pm-10 c. dis	35 c. pm-10 c. dis
Madrid	60-150 c. dis	260-360 c. dis
Milan	6-12 lire dis	20-27 lire dis
Oslo	½-2½ ore dis	1ore pm-1½ ore dis
Paris	¼-1¼ c. dis	1-2 c. dis
Stockh'm	1⅛-3½ ore dis	3½-5½ ore dis
Vienna	10 gro. pm-par	12-2 gro pm
Zurich	2⅜-1⅝ c. pm	6⅝-5⅝ c. pm

Six-month forward U.S. dollar 3.42-3.32c pm and 12-month 7.05-6.95c pm.

Indices

NEW YORK—DOW JONES

	Apr. 28	Apr. 27	Apr. 26	Apr. 25	Apr. 22	Apr. 21	1977 High	1977 Low	Since compilation High	Since compilation Low
Industrial	927.32	923.76	915.62	914.60	927.07	935.80	999.75 (3/1)	914.60 (25/4)	1051.70 (11/1/73)	41.22 (2/7/32)
Home B'nds*	91.27	91.25	91.10	91.09	91.23	91.37	93.57 (5/1)	90.68 (7/3)	—	—
Transport	233.55	235.25	230.77	232.08	233.55	237.66	240.36 (20/4)	221.81 (25/2)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	108.85	107.87	107.11	107.53	107.97	108.18	111.07 (25/1)	104.97 (25/2)	163.32 (20/4/65)	10.58 (28/4/42)
Trading vol. 000's	18,370	20,590	20,040	20,440	20,700	22,740	—	—	—	—

* Basis of index changed from July 1.

Ind. div. yield %	Apr. 22	Apr. 15	April 8	Year ago (approx.)
	4.60	4.46	4.01	3.69

STANDARD AND POORS

	Apr. 28	Apr. 27	Apr. 26	Apr. 25	Apr. 22	Apr. 21	1977 High	1977 Low	Since compilation High	Since compilation Low
*Industrials	108.78	108.50	107.57	107.54	108.05	110.50	113.92 (3/1)	107.54 (25/4)	134.64 (11/1/73)	35.2 (30/6/32)
†Composite	98.20	97.96	97.11	97.16	98.44	99.75	107.00 (3/1)	97.11 (26/4)	125.85 (11/1/73)	4.40 (1/6/32)

	Apr. 27	Apr. 20	Apr. 13	Year ago (approx.)
Ind. div. yield %	4.36	4.23	4.21	3.28
Ind. P/E Ratio	—	10.41	10.41	14.00
Long Govt. Bond yield	7.67	7.62	7.68	5.49

N.Y.S.E. ALL COMMON

Apr. 28	Apr. 27	Apr. 26	Apr. 25	1977 High	1977 Low
55.54	55.41	52.96	55.00	57.87 (4/1)	52.98 (26/4)

Rises and Falls April 28

Issues Traded—1,865 Up—775
Down—634 Same—456
New Highs—45 New Lows—56

MONTREAL	Apr. 28	Apr. 27	Apr. 26	Apr. 25	1977 High	1977 Low
Industrial	176.08	176.39	175.50	174.95	174.95 (25/4)	174.95 (25/4)
Combined	175.31	175.65	174.68	175.40	186.75 (16/3)	174.58 (19/4)
TORONTO Composite	994.8	996.3	994.0	995.8	1052.5 (16/3)	992.0 (19/1)
JOHANNESBURG Gold	148.2	148.7	149.1	154.8	192.5 (7/3)	146.9 (7/2)
Industrials	179.2	188.4	189.4	189.5	186.8 (7/1)	168.1 (22/4)

	April 28	Previous	1977 High	1977 Low
Australia (a)	435.17	432.42	447.62 (27/1)	419.68 (16/2)
Belgium (b)	96.02	94.73	99.12 (10/1)	92.61 (22/2)
Denmark (d)	106.94	106.94	107.80 (23/3)	96.96 (6/1)
France (e)	47.0	47.3	58.4 (7/1)	47.0 (28/4)
Germany (f)	782.7	778.6	792.7 (26/4)	712.5 (10/3)
Holland (g)	89.8	90.4	90.4 (27/4)	83.2 (26/1)
Hongkong (h)	443.53	442.60	448.74 (22/4)	415.40 (14/3)
Italy (k)	64.06	63.67	73.71 (3/1)	62.98 (14/4)
Japan (m)	379.93	379.12	385.79 (9/2)	364.70 (7/4)
Singapore (n)	—	244.26	280.29 (10/1)	244.26 (27/4)
Spain (p)	92.32	92.39	102.57 (11/3)	91.34 (14/4)
Sweden (q)	396.52	398.10	416.66 (22/3)	359.10 (4/2)
Switz'l'd (r)	300.0	297.1	300.5 (21/4)	280.1 (5/1)

Indices and base dates (all base values 100 except NYSE All Common—50, Standards and Poors—10 and Toronto 300-1,000, the last-named based on 1975.) (a) Sydney All Ord. (b) Belgian SE 31/12/63. (d) Copenhagen SE 1/1/73. (e) Paris Bourse 1961. (f) Commerzbank December, 1953. (g) Amsterdam Industrial 1970. (h) Hang Seng Bank 31/7/64. (k) Milan 2/1/73. (m) Tokyo New SE 4/1/68. (n) Straits Times 1966. (p) Madrid SE 31/12/76. (q) Stockholm Industrials 1/1/58. (r) Swiss Bank Corp. 31/12/58. (u) Unavailable. ‡ Excluding bonds. * 400 Industrials. † 400 Inds., 40 Utilities, 40 Finance and 20 Transport. (c) Closed.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM50 denom. unless otherwise stated. ♥ Ptas 500 denom. unless otherwise stated. ♣ Kr.100 denom. unless otherwise stated. ◆ Frs.500 denom. unless otherwise stated. ¶ Yen 50 denom. unless otherwise stated. § Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs: including Unilac div. p Nom. q Share split. s Div and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—121½% (123¼%)

NEW YORK

Stock	Apr. 28	Apr. 27
Abbott Labs	41¼	41⅜
Addressograph	10¼	10⅛
Aetna Life & Cas	31⅞	31¼
Air Products	22¼	20¾
Airco	32⅝	32
Alcan Aluminium	27⅞	27⅝
Alcoa	57⅛	57¼
Allegheny Ludl.	23¼	23¼
Allegheny Power	20⅜	20⅛
Allied Chemical	43¾	43⅜
Allied Stores	20⅛	18¾
Allis Chalmers	29⅜	29¼
Amax	50¼	50½
Amerada Hess	32¼	32¼
Amer. Airlines	10⅞	10⅞
Amer. Brands	45⅝	45⅜
Amer. Broadcast	44	44
Amer. Can	39⅝	39¾
Amer. Cyanamid	27¼	27¼
Amer. Elec. Pow.	24⅝	24⅛
Amer. Express	30⅛	30¼
Amer. Home Prod	27⅛	27⅛
Amer. Medical	11¾	11½
Amer. Motors	4¾	4⅞
Amer. Nat. Gas	41⅜	41⅝
Amer. Standard	30½	30¾
American Stores	30	30½
Amer. Tel. & Tel.	62⅝	62½
A.M.F.	19⅞	18¾
Ampex	7⅞	7¾
Anchor Hocking	31	31
Anheuser Busch	22½	22¼
Armco Steel	28¾	28
A.S.A.	18⅛	18½
Asamera Oil	12	12¼
Asarco	20⅞	21
Ashland Oil	35⅝	34⅛
Atl. Richfield	52	53
AVC	10	10½
Avco	14¼	14⅛
Avis	12¾	12⅞
Avon Products	43⅛	43¾
Balt Gas Elect.	22	22⅛
Bank America	24⅝	24¼
Bankers Tr. N.Y.	38	37⅛
Barber Oil	34¾	35⅝
Baxter Travenol	32¼	32⅛
Beatrice Foods	24¼	24¼
Becton Dickenson	27⅝	27½
Bell & Howell	20	20
Bendix	41	40¾
Benguet Cons 'B'	2⅝	2¾
Bethlehem Steel	35⅝	35½
Black & Decker	15⅛	15⅛
Boeing	47½	47¼
Boise Cascade	31⅛	31⅛
Borden	34⅝	34¼
Borg Warner	31	30⅞
Braniff Int.	12¼	12⅛
Brascan 'A'	11	10⅞
Bristol Myers	62⅜	62
Brit. Pet. ADR	15⅞	16
Brockway Glass	12¼	12¼
Brunswick	14½	14⅛
Bucyrus Erie	20	20
Budd	20½	20¼
Bulova Watch	7⅞	8
Burlington Nthn	50¾	50½
Burroughs	65¾	66⅝
Campbell Soup	38⅝	38⅛
Canadian Pacific	16⅜	15⅝
Canal Randolph	2⅜	2¼
Carnation	67⅛	67
Carrier & General	13⅝	13½
Carter Hawley	18	18¼
Caterpillar Tractr	55	55½
CBS	58⅝	58½
Celanese Corpn	51½	49⅞
Central & S.W.	14¾	15⅛
Certain Teed	27⅛	27¼
Cessna Aircraft	27¼	27¼
Chase Manhattan	30½	30⅝
Chemical Bk. NY	42⅛	42⅝
Chesebrgh Pond	21⅝	21⅝
Chessie System	41¾	41¾
Chicago Bridge	54½	54½
Chromalloy	16	15⅝
Chrysler	18	18
Cinerama	1⅛	1⅛
Cin. Milacron	40⅛	39¾
Citicorp	27	27⅛
Cities Service	60½	60½
City Investing	14⅝	14½
Coca Cola	74¼	73
Colgate Palm	24⅝	24¼
Collins Aikman	10⅞	10½
Columbia Gas	30	29⅞
Columbia Pict	9⅜	9
Com. InsCo. of Am	16¼	16⅛
Combustion Eng.	36⅛	35½
Combustion Eq.	29⅜	29¼
Com'w'th Edison	28¾	28⅞
Com'w'th Oil Ref	5⅛	5⅛
Comm. Satellite	35⅝	35⅛
Con. Edison N.Y.	22½	22⅝
Consol Foods	24¾	24½
Consol Nat. Gas	38⅝	38
Consumer Power	22¾	22½
Continental Grp.	35½	35⅝
Continental Oil	35⅛	35¼
Continental Tele	15⅛	15¼
Control Data	20½	20⅝
Cooper Indus.	42⅝	43
Copper Range	20	18⅛

Stock	April 28	April 27
Corning Glass	65⅝	65½
CPC Int'national	50	49¾
Crane	32	31¾
Crocker Nat.	26¼	26¼
Crown Zellerbach	39⅞	40¼
Cummins Engine	52½	52½
Curt-Wright	17⅜	17¼
Dana	23½	23⅜
Dart Industries	34⅜	34⅝
Deere	31¾	31⅝
Del Monte	26½	26⅜
Deltona	4½	4⅜
Dentsply Inter.	22¾	22⅝
Detroit Edison	18⅞	18¾
Diamond Shamrk	33¾	33¼
Dictaphone	11⅞	11⅝
Digital Equip.	38⅜	39⅜
Disney (Walt)	30	30½
Dover Corpn.	38¼	38½
Dow Chemical	32½	30½
Dresser	44¼	45⅝
Du Pont	126½	126⅝
Dymo Industries	11½	11
Eagle Picher	12⅝	12⅜
East Air Lines	7¼	7⅜
Eastman Kodak	52¾	53⅛
Eaton	42⅛	42
E. G. & G.	19⅛	19⅛
El Paso Nat. Gas	16⅞	16¼
Eltra	28⅜	28⅝
Emery Air Fr'ght	35⅝	35⅝
Emhart	38⅛	38
E.M.I.	3⅝	3½
Engelhard	32	32
Esmark	30¼	30
Ethyl	41¾	41¼
Exxon	51½	51½
Fairchild Camera	29½	29¾
Fed. Dept. Stores	39¼	39½
Firestone Tire	19¼	19⅛
Fst. Nat. Boston	27⅛	27⅝
Flexi. Van	12⅞	13⅛
Flintkote	18¾	18¾
Florida Power	31¾	31¼
Fluor	37½	36⅝
F.M.C.	25¾	25⅞
Ford Motor	54½	54¾
Foremost Mck.	16	15⅝
Foxboro	30¾	30¼
Franklin Mint	17⅜	17¾
Freeport Mineral	20¼	20
Fruehauf	28½	28¼
Fuqua Industries	9⅝	9⅛
G.A.F.	11½	11½
Gannett	33¾	33⅝
Gen. Amer. Inv.	10⅛	10
GATX	31⅝	31⅝
Gen. Cable	19⅝	18½
Gen. Dynamics	51⅝	51¾
Gen. Electrics	52⅞	53
General Foods	31½	31¾
General Mills	27½	27
General Motors	68⅛	68
Gen. Pub. Util	18½	18⅝
Gen. Signal	30⅛	30⅜
Gen. Tel. Elect.	30½	30
Gen. Tire	27¾	27
Genesco	6⅛	5⅞
Georgia Pacific	31⅜	31¼
Getty Oil	181	182½
Gillette	28	27¾
Goodrich B.F.	23¾	23⅜
Goodyear Tire	19⅝	19½
Gould	32¾	32½
Grace W.R.	29½	29⅝
Grand Union	20½	20½
Gt. Atlan Pac Tea	10⅞	11
Grt. North Iron	25¼	25⅛
Greyhound	14⅛	14⅛
Grolier	1⅛	1¼
Gulf & Western	15½	15¼
Gulf Oil	28¾	28⅝
Halliburton	69½	69½
Hanna Mining	33¼	32
Harnischfeger	23	22½
Harris Corpn.	36⅝	36½
Heinz H.J.	39	39¾
Heller W.E.	18½	18¼
Heublein	23⅝	23⅝
Hewlett Packard	69¼	69¼
Holiday Inns	11⅞	11¾
Homestake	39½	39
Honeywell	50¼	49¾
Hoover	12	11¾
Hosp Corp Amer.	22⅝	22¼
Houston Nat. Gas	28⅞	28⅞
Hutton E.F.	14¼	14⅝
I.C. Industries	24¾	24¾
INA	43¼	43½
Ingersoll Rand	74⅜	74
Inland Steel	46¼	46½
Insilco	16⅛	16
Intercont Energy	12½	12¼
IBM	259.5	261.25
Intl. Flavors	12⅝	12⅞
Intl. Harvester	37⅝	36⅝
Intl. Min & Chem	40¾	40⅞
Intl. Multifoods	17⅝	17⅝
Inco	28⅞	29½
Intl. Paper	52	52
IPG	35	33
Intl. Tel. & Tel.	33⅜	33⅜
Invent.	¾	¾
Iowa Beef	23½	23¾
IU International	12⅜	12⅝
Jim Walter	32¼	32¼

Stock	April 28	April 27
Johns Manville	34½	34½
Johnson Johnson	65½	65¼
Johnson Control	40⅝	38¾
Joy Manufactu'g	40⅛	40¾
Kaiser Alumin'm	30⅛	30¾
Kaiser Industries	17⅜	17⅜
Kaiser Steel	32¾	33
Kay	7⅛	7⅜
Kennecott	28	28
Kerr McGee	66½	66¼
Kidde Walter	24⅛	24⅝
Kimberly Clark	43¼	44
Koppers	24	24
Kraft	46	46⅛
Kresge	29½	28⅝
Kroger Co.	23	22
Levi Strauss	26⅝	26⅛
Libby Ow Ford	33½	33¾
Liggett Group	32	32⅛
Lilly (Eli)	52¼	52¼
Litton Indust.	14⅛	13⅝
Lockheed Aircrft	9	8⅞
Lone Star Inds.	21¾	21
Long Island Ltd.	18½	18½
Louisiana Land	26½	26⅝
Lubrizol	30	31
Lucky Stores	13¾	14
L'ken Y'ngst'wn	11	10¾
MacMillan	9½	9½
Macy R.H.	32⅝	32⅛
Mfrs Hanover	37	36¾
Mapco	44½	44⅝
Marathon Oil	51	51⅝
Marine Midland	12¼	12⅝
Marshall Field	12	12⅛
May Dept. Stores	24⅝	24⅝
MCA	36¾	37
McDermott	53	52
McDonnell Doug.	19¼	19⅝
McGraw Hill	17⅛	17¼
Merck	51½	51¼
Merrill Lynch	12	11⅞
MGM	19⅛	19⅜
Minn Ming & Mfg	48½	48½
Mobil Corp.	65⅛	65⅝
Monsanto	79½	78½
Morgan J.P.	48	48½
Motorola	43	43½
Murphy Oil	30¾	31¼
Nabisco	48	48⅝
Nalco Chemical	29	29
National Can	13	13⅛
Nat. Distillers	24⅝	24⅜
Nat. Service Ind.	14⅝	14¼
National Steel	39¾	40¼
Natomas	38⅞	40
NCR	33⅝	33¼
Neptune Int.	16¾	16⅛
New England El.	22⅛	22¼
New England Tel.	35½	35¾
Niagara Mohawk	15⅝	15¾
Niagara Share	10⅞	10¾
N.L. Industries	20⅞	20¼
Norfolk & Western	34⅛	34⅜
North Nat. Gas	46⅛	46
Nrhn States Pwr.	27	27¼
Nthwest Airlines	25⅝	25¼
Nthwest Bancorp	50¾	51
Norton Simon	18⅛	18
Occidental Petrol	27¾	27⅞
Ogilvy Mather	31	31¼
Ohio Edison	19⅛	18½
Olin	41⅞	41½
Overseas Ship	20¼	20¼
Owens Corning	67⅞	68¼
Owens Illinois	27¾	27⅝
Pacific Gas	23¾	23⅞
Pac. Lighting	18½	18⅝
Pac. Pwr. & Lt.	23⅛	23
PanAm World Air	4¼	4¼
Parker Hannifin	37⅝	37½
Peabody Int.	23¼	23⅛
Penn Pw & Lt.	22½	22⅝
Penney J.C.	37¼	36⅞
Pennzoil	30⅞	30¼
Peoples Drug	7¾	8
Peoples Gas	46¾	46¾
Pepsico	69¾	69⅝
Perkin Elmer	16⅞	16⅞
Pet	30⅞	30⅞
Pfizer	26⅜	25¾
Phelps Dodge	34	34¼
Philadelphia Elec	19	19
Philip Morris	54½	52⅞
Phillips Petrol'm	54¾	53⅝
Pickwick Inter.	20⅝	19¾
Pillsbury	36¼	36¾
Pitney Bowes	18⅝	18½
Pittston	28⅞	30
Plessey Ltd ADR	11⅝	11⅝
Polaroid	33½	33⅞
Potomac Elec.	16½	16¼
PPG Industries	57¼	57¾
Procter Gamble	78	77
Pub Serve Elect.	24⅛	24
Pullman	36¾	35
Purex	17⅜	17⅜
Quaker Oats	21½	22
Rapid American	6½	6¼
Raytheon	60⅛	61¼
RCA	29⅛	29
Republic Steel	31⅝	31⅛

Stock	April 28	April 27
Revlon	56¾	56⅞
Reynolds Metals	42⅜	41¾
Reynolds R.J.	65	65
Rich'son Merrell	20⅜	20¼
Rockwell Inter.	31⅜	31⅝
Rohm & Haas	47¾	47½
Royal Dutch	58¾	58⅛
Russ Togs	10½	10½
Ryder Systems	14⅛	14⅛
Safeway Stores	45½	45¼
St. Joe Minerals	42¼	42⅛
St. Regis Paper	35⅞	35⅝
Santa Fe Inds.	32¾	32½
Saul Invest.	3⅞	3⅞
Saxon Inds.	6⅞	7
Schlitz Brewing	13¾	13¼
Schlumberger	60¾	60¼
SCM	20⅝	20⅝
Scott Paper	16⅝	16⅝
Scovil Mfg.	21⅜	21⅝
Scudd'r Duo Vest	7	7
Sea Containers	32	31⅞
Seagram	20½	20½
Searle (G.D.)	11⅞	11⅝
Sears Roebuck	57⅝	56
SEDCO	26	26½
Shell Oil	71¾	71⅛
Shell Transport	36½	35⅝
Signal	29¾	28¾
Signode Corp.	36⅞	37
Simplicity Pat.	11⅛	11¼
Singer	21	21⅛
Smith Kline	72⅝	71½
Solitron	2	1⅞
Southdown	14½	14⅝
Southern Cal. Ed	24½	24
Southern Co.	16⅛	16
Sthn. Nat. Res.	31⅞	32⅜
Southern Pacific	35¼	35⅜
Southern Railw'y	57⅝	57¼
Southland	22	21⅝
Sperry Hutch	18	17⅞
Sperry Rand	34¼	34
Squibb	23¾	23¾
Standard Brands	25¼	25¼
Std. Oil California	40	39⅝
Std. Oil Indiana	53⅛	53½
Std. Oil Ohio	87½	88¼
Stauff Chemical	42⅝	42⅝
Sterling Drug	14⅛	14½
Studebaker	46¾	46¼
Sun Co.	43⅞	44
Sundstrand	37	37⅛
Syntex	17⅞	18
Tandy	39⅞	39⅝
Technicolor	8½	8¼
Tektronix	58	58¼
Teledyne	67⅞	69
Telex	4⅜	4⅜
Tenneco	33⅞	32¾
Tesoro Petroleum	13¾	13⅝
Texaco	26⅜	26⅛
Texasgulf	27½	27¾
Texas Instrm.	72½	72⅞
Texas Oil & Gas	32¼	32½
Texas Utilities	19⅛	18⅞
Time Inc.	34⅝	34¼
Times Mirror	21½	21
Timken	55⅝	54⅛
Trane	50⅛	50⅛
Transamerica	13⅞	13⅞
Trans Union	34⅝	35
Transway Int'rnl	22¾	22⅛
Trans World Air	8⅜	8⅛
Travelers	34⅛	34⅛
Tri Continental	20⅝	21
T.R.W.	37¼	37¼
20th Century Fox	11⅜	11⅝
UAL	21	21⅛
UARCO	30¼	30
UGI	17½	17¼
UOP	16¼	16⅛
Unilever	31⅝	31⅝
Unilever NV	56½	55
Union Bancorp.	11⅞	11⅞
Union Carbide	55⅛	55⅝
Union Commerce	8¾	8¾
Union Oil Calif.	51⅝	51½
Union Pacific	52¾	53⅝
Uniroyal	9⅝	9½
United Brands	8¼	8⅜
United Corp.	10⅛	10⅛
US Bancorp	28⅝	28⅝
US Gypsum	24	24¼
US Shoe	23⅝	23⅞
US Steel	45⅞	45¾
U. Technologies	38½	38¼
UV Industries	36⅝	36⅞
Virginia Elect.	14⅞	14⅞
Walgreen	15⅝	15⅝
Warner-Commun.	29	29½
Warner-Lambert	28⅛	28¼
Waste Man'ment	13⅜	13¼
Wells-Fargo	27¾	27⅞
Western Bancorp	28¼	28⅛
Western N. Amer	15¾	16½
Western Union	17⅞	18
Westingh'se Elec	21¼	20½
Westvaco	30⅜	30
Weyerhaeuser	38¾	38⅞
Whirlpool	24⅝	24⅞
White Cons. Ind.	26½	26½
Williams Co.	23¾	23⅞
Wisconsin Elec.	29	29
Woolworth	23⅜	23⅞
Wyly	1⅜	1⅜

Stock	April 28	April 27
Xerox	45¼	46
Zapata	10½	10½
Zenith Radio	22¼	21⅞
Chile 3% 1993	†91½	†91½
U.S. Treas. 4% 1980	†94¾	†94¾
US Treas 4¼% 75/78	†83	†83
U.S. 90 Day bills	4.38%	4.43%

CANADA

Stock	April 28	April 27
Abitibi Paper	10⅝	10⅜
Agnico Eagle	6⅛	6⅜
Alcan Aluminium	28¼	28¾
Algoma Steel	15⅜	15⅛
Asbestos	†23¼	24
Bank Montreal	13⅞	13⅞
Bank Nova Scotia	18	18
Basic Resources	8¼	8¼
Bell Telephone	48⅝	48⅝
Bow Valley Inds.	17	17
BP Canada	12¼	11¾
Brascan	11½	11⅜
Brinco	†3.50	†3.50
Calgary Power	32	32⅛
Canada Cement	8	8
Canada N.W. Land	6¼	6⅛
Can Imp Bk Com	26⅝	26¾
Canada Indust.	†18	†17½
Can. Pacific	17¼	17¼
Can. Pacific Inv.	18⅛	18¼
Can. Super Oil	44	44¼
Carling O'Keefe	2.82	2.80
Cassiar Asbestos	8⅛	8¾
Chieftain	11⅛	11⅛
Cominco	35⅝	36¼
Cons Bathurst	28¼	28⅛
Consumer Gas	14½	14½
Costain Rich	11	11⅛
Decca Resources	7⅜	7
Denison Mines	49½	49⅛
Dome Mines	48½	49½
Dome Petroleum	40⅜	42
Dominion Bridge	†19½	19
Domtar	14⅛	14⅞
Dupont	13	12⅞
Falcon'ge Nickel	36⅛	36
Ford Motor Can.	†91½	†91½
Genstar	23¼	23⅛
Giant Y'ellowknife	7	†7
Gulf Oil Canada	26⅞	27⅛
Hawker Sid. Can.	4.35	4.60
Hollinger	30	30
Home Oil 'A'	28¾	28¾
Hudson Bay Mng	17¼	17
Hudson Bay	15½	15⅝
Hudson Oil & Gas	38	34⅝
I.A.C.	16	16
Imasco	26¼	26¼
Imperial Oil	20⅝	20⅝
Inco	30⅜	30⅞
Indal	10⅛	10⅛
Inland Nat. Gas	10¼	10¼
Int'pr'v Pipe Line	14¼	14¼
Kaiser Resources	14⅞	14¾
Laurnt Fin Corp	7⅞	7⅞
Loblaw Com. 'B'	5.15	5.20
Mc'mill'n Bloed'l	22½	22⅝
Massey Ferguson	20⅞	21⅛
McIntyre Porcupine	38⅛	38½
Moore Corpn.	32	32½
Noranda Mines	31⅞	31½
Norcen Energy	11⅜	11¼
Nthn Telecom	32	32¼
Numac Oil & Gas	11	10⅞
Oakwood Petr'm.	1.23	1.25
Pacific Copper M	1.25	1.20
Pacific Petroleum	27⅛	27⅞
Pan. Can. Pet'm	26½	26⅝
Patino	19½	†16¾
Peoples Dept. S.	7⅛	7⅛
Place Gas & Oil	0.45	0.45
Placer Develpmt	20¾	21
Power Corporat'n	7½	7⅝
Price	10⅜	10⅝
Quebec Sturgeon	0.92	0.93
Ranger Oil	20⅞	20¾
Reed Shaw	†7¾	7⅞
Rio Algom	29½	†29½
Royal Bk. of Can.	26⅛	26⅝
Royal Trust	16⅜	16¾
Seagrams	21⅛	21⅝
Shell Canada	14	14½
Sherritt G. Mines	6½	6⅛
Siebens O.G.	15½	16½
Simpsons	5¼	5⅜
Steel of Canada	25¼	25½
Steep Rock Iron	1.75	1.80
Talcorp	†10⅛	†10½
Texaco Canada	28⅜	†28¼
Toronto Dom. Bk	17⅝	17⅞
TransCan PipeLn	14	14
Trans Mount Oil	11⅛	10¼
Trizec	a12¾	a12¾
Union Gas	9⅜	9¼
United Corp "B"	10¼	†10¼
Walker Hiram	26¼	26½
West Coast Trans	29	29
Western Geo.	13¼	†13¼

a Asked. * Assented † Bid. § Traded. n New stock.

GERMANY ◆

April 28	Prices Dm.	+ or —	Div. %	Yld. %
A.E.G.	87.7	.....	—	—
Allianz Versich.	422	+2	18	2.1
B.M.W.	249.8	+2.0	18	3.6
BASF	170.7	+1.2	16	5.0
Bayer	138	+1	14	4.7
Bayer Hypo	264.8	+1.3	20	3.6
Bayer Vereinsbk.	286.5	+1.5	20	2.9
Commerzbank	204.1	+0.6	12	4.4
Conti. Gummi	74	+0.6	—	—
Daimler Benz	354	+2	17	2.4
Degussa	253.9xd	+2.9	18	3.5
Demag	155.5	−0.5	16	5.3
Deutsche Bank	293.8	+1.1	20	3.4
Dresdner Bank	234.8	+0.8	20	4.3
Dyckerhoff Zemt.	132	.....	6	2.1
Gutehoffnung	190	+4	14	3.2
Hapag Lloyd	124	.....	12	4.2
Harpener	175.8	+0.8	7	3.1
Hoechst	151.2	+1.4	17	5.6
Hoesch	48.8	+0.6	—	—
Horten	152.8	+0.9	14	5.3
Kali und Salz	114	−1	7	3.1
Karstadt	360	+3	20	2.8
Kaufhof	230.5	+1.0	20	4.3
Klockner DM.100	89	+0.3	—	—
Klock Humbolt	122	+5	10	4.1
Krupp	110	.....	—	—
Linde	325.2	+6.3	18	2.7
Lowenbrau	1,520xd	.....	25	1.2
Lufthansa	106.9	+2.9	4	1.9
M.A.N.	168	+5	14	4.1
Mannesmann	178.5	+1.3	17	3.8
Metallges.	234	+3	10	4.6
Munch. Ruckvers	440	−2	18	2.0
Neckermann	45	−1.2	—	—
Preussag	164	−3.5	7	4.8
Rhein West Elect.	172.7	+0.7	17	4.8
Schering	283	+3	20	3.4
Siemens	289	+2.2	16	2.8
Sud'eutscheZucker	243	+1	†18	4.0
Thyssen Hutte	126.5	+2.0	14	5.5
Varta	265	+5	14	2.6
VEBA	151.6	+1.2	12	4.0
Vereins & West Bk	308xd	+2	20	3.2
Volkswagen	168.7	+2.2	10	2.9

AMSTERDAM

April 28	Price Fls.	+ or —	Div. %	Yld. %
Ahold (Fl.20)	90.2	.....	24	5.3
Akzo (Fl.20)	34.9	−0.3	—	—
Algem Bnk (Fl.100)	324.5	−1.2	22.50	6.9
AMEV (Fl.10)	62.6	−0.7	†38	6.0
Amro Bank (Fl.20)	70.4	−0.3	23	6.5
Bijenkorf (Fl.20)	79.5xd	−0.8	23	5.8
Boka West'm Fl.10	127.8	−0.2	57½	4.5
Buhrm-Tetterode	73.5	−0.1	25	6.8
Elsevier (Fl.20)	251.5	−0.6	31	2.5
Ennia N.V. Bearer	119	−4	32.5	4.7
EuroComTst Fl.10	21.5xd	.....	30	5.3
Gist Brocades F.10	67.3	−0.7	20	3.5
Heineken (Fl.25)	131.8	−0.0	14	2.7
Hoogovens (Fl.20)	42.5	−1.4	—	—
Hunter D'glas (Fl.5)	60.4	+0.5	12	4.0
I.H.C. Holland	16.9	−0.3	10	0.9
K.L.M. (Fl.100)	98	−0.3	—	—
Int. Muller (Fl.20)	47.8	+0.5	12	7.7
Naarden (Fl.10)	45.1	−0.2	10	2.2
Nat Ned. Ins. (Fl.10)	100.8	−0.8	44.4	4.4
Ned Cred Bk (Fl.20)	50xd	−0.1	20	8.0
Ned Mid Bk (Fl.50)	156	−2.8	20	6.4
Oce (Fl.20)	163.2xd	−0.8	34	4.2
Van Ommeren	175	−5	10	—
Pakhoed (Fl.20)	84xd	.....	a21	4.9
Philips (Fl.10)	30.4	−0.1	a16	5.3
Rijn-Schelde Fl.100	64.3	−1.8	12	2.8
Robeco (Fl.50)	182.5	+0.6	25.2	6.9
Rolinco (Fl.50)	133.5	+0.0	—	1.9
Rorento (Fl.50)	122.2	+0.1	16.5	4.2
Royal Dutch (Fl.20)	149	−0.8	50	7.0
Slavenburg's Bank	225xd	.....	19	8.4
Stevin Grp (Fl.20)	105	.....	27½	8.2
Tokyo Pac Hldg $1	97	−0.1	$0.3	1.4
Unilever (Fl.20)	135.5	.....	41.8	6.2
Viking Res. Int. $1	41.5	+0.3	$0.20	1.4
VMF Stork	80	−0.5	—	—

COPENHAGEN ♣

April 28	Price Kroner	+ or —	Div. %	Yld. %
Andelsbanken	147xd	.....	a10	6.9
Burm'str W.A&S	287	.....	15	5.2
Danske Bank	142¼	−½	11	7.7
Dan Provinsbank	164¼	−1½	11	6.7
East Asiatic Co.	280¼	+¼	12	4.3
Finansbanken	140	.....	13	8.3
For. Bryggerier	378	−¾	12	3.2
For. Papirfabrik	95	.....	15	10.7
Handelsbank Cop	144¾	−¼	11	6.9
G. Northern Hld.	291	−1	12	4.1
Nord Kabel	281xd	.....	12	4.7
Oliefabrik	128	−1¼	12	9.2
Privatbank	156⅛	.....	11	7.1
Soph. Berendsen	358½	+¾	11	3.0
Superfos	298	.....	12	4.0

VIENNA

April 28	Price %	+ or —	Div. %	Yld. %
Creditanstalt	360	.....	10	3.0
Perlmooser	301	.....	9	3.0
Selecta	572	.....	38	7.2
Semperit	123	.....	—	—
Steyr Daimler	190	+2	5	2.6
Veit Magnesit	340	.....	22	6.6

TOKYO ¶

April 28	*Prices Yen	+ or —	Div. %	Yld. %
Asahi Glass	349	−6	14	2.0
Canon	594	+6	11	0.9
Casio	407	+1	25	3.1
Chinon	745	−15	20	1.3
Dai Nippon Print	594	+2	18	1.5
Fuji Photo	802	+12	15	0.9
Hitachi	213	−2	12	2.8
Honda Motors	650	−2	18	1.4
House Food	1,590	+10	35	1.3
C. Itoh	285	−1	12	2.1
Ito-Yokado	1,810	+10	30	1.0
Jaccs	523	−1	13	1.2
J.A.L.	2,300	.....	—	—
Kansai Elect. Pw.	875	.....	8	4.5
Komatsu	349	+1	18	2.5
Kubota	350	.....	15	2.1
Kyoto Ceramic	3,110	+10	35	0.6
Matsushita Ind.	612	+2	20	1.6
Mitsubishi Bank	276	−2	10	1.8
Mitsubishi Heavy	128	+2	12	4.7
Mitsubishi Corp.	436	.....	13	1.5
Mitsui & Co.	328	.....	14	1.8
Mitsukoshi	479	+8	20	2.1
Nippon Denso	1,480	+70	15	0.5
Nippon Shinpan	425	−1	12	1.4
Nissan Motors	610	.....	16	1.3
Pioneer	1,670	−10	48	1.4
Sanyo Electric	231	.....	12	2.6
Sekisui Prefab	876	−3	30	1.7
Shiseido	1,240	.....	20	0.8
Sony	2,690	+50	40	0.7
Taisho Marine	252	+4	11	1.7
Takeda Chemical	242	−4	15	3.1
TDK	1,680	.....	30	0.9
Teijin	138	−2	10	3.6
Tokio Marine	471	−3	11	1.2
Tokyo Elect. Pwr.	877	−3	8	4.6
Tokyo Sanyo	513	+1	12	1.2
Tokyo Shibaura	196	−2	10	2.6
Toray	132	+3	10	3.8
Toyota Motor	1,020	+21	20	1.0

Source Nikko Securities Tokyo

BRUSSELS/LUXEMBOURG

April 28	Price Frs.	+ or —	Div. Frs. Net.	Yld. %
Arbed	2,715	+13	—	—
Bq Brx Lamb.	1,480	−2	40	2.7
Bekaert "B"	1,925	+25	112	5.9
C.B.R. Cement	1,470	−2	90	6.1
Cockerill	596	+6	—	—
E.B.E.S.	2,160	+30	177	8.2
Electrobel	5,940	.....	400	6.8
Fabrique Nat.	1,965	+15	100	5.0
G.B. Inno-Bm.	1,980	.....	140	7.1
Hoboken	3,090	+25	150	4.8
Intercomm.	1,725	−5	142	8.3
Kredietbank	6,610	−10	245	3.7
La Royale Belge	4,630	−10	385	8.3
Pan Holding	2,645	.....	$2.15	[illegible]
Petrofina	4,360	−35	174	5.8
Photo Gevaert	1,250	+2	75	6.0
Soc. Gen. Banque	2,580	+50	183	7.1
Soc. Gen. Belgique	1,885	+10	153	8.1
Sofina	3,140	−60	405	6.6
Solvay	2,440	+40	170	7.0
Traction Elect.	2,685	.....	154	5.7
U.C.B.	2,200	+15	A1/5	3.7
Un. Min. (1/10th)	932	−2	70	7.4
Vieille Montagne	2,775	.....	150	5.4

SWITZERLAND ◆

April 28	Price Frs.	+ or —	Div. %	Yld. %
Aluminium	1,555xd	+25	6	4.0
Bally Hld.	1,150	.....	—	—
BBC 'A'	1,610	+10	10	3.1
Ciba Geigy	1,430	+5	22	1.6
Do. Do. Part.	1,060	+20	22	2.2
Do. Do. Reg.	709	+10	22	3.2
Credit Suisse	2,335	+5	16	—
Electrowatt	1,585	+10	10	3.2
Fischer (Georg)	780	+35	—	—
G'nd Mag. Jel F10	1,160xd	−10	20	1.7
Hoffman La Roche	86,500	+2000	550	0.6
Do. (small)	8,650	+50	55	0.6
Interfood B.	2,950	−25	20	3.4
Nestle Fls. (100)	3,400	−80	†85.8	2.7
Do. Reg.	2,205	+25	†85.8	3.9
Oerlikon-Buhrle	2,140	+80	14	6.8
Sandoz (Br. 250)	4,825	.....	26	1.5
Do Br Part Certs	3,600	.....	26	1.8
Schindler	285	+5	12	4.2
Soc. Int. Pirelli	184	+1	14	7.6
Sulzer	320	−2	14	6.0
Swissair (F.350)	688	+10	35	4.3
Swiss Bank Corp.	387	+4	10	2.7
Swiss Reinsur.	4,150	.....	36	3.8
Un. Bank of Switz.	3,105	+5	20	3.1
Zurich Ins. Br.	9,750	+25	40	2.2

MILAN

April 28	Price Lire	+ or —	Div. Lire	Yld. %
ANIC	240	+2	—	—
Bastogi	594	+2	—	—
Fiat	1,821	+21	150	8.2
Do. Priv.	1,540	+14	150	9.7
Finsider	109.5	−1	—	—
Italcementi	11,010	+6	500	4.5
Italsider	183	+10	—	—
Mediobanca	39,350	+300	2,000	5.1
Montedison	271.75	−0.25	—	—
Olivetti Priv.	956	+35	—	—
Pirelli & C.	2,109	+71	110	5.2
Pirelli Spa	1,058	+2	†80	7.6
Snia Viscosa	945	−4	—	—

AUSTRALIA

April 28	Aust. $	+ or —
ACMIL	†0.64	.....
Acrow Australia	†0.82	.....
Adelaide Brighton Cent 50c	†1.12	.....
Allied Mining Trading Indus. $1	†1.61	.....
Ampol Exploration	†0.88	−0.02
Ampol Petroleum	†0.52	+0.01
Assoc. Minerals	†1.20	.....
Assoc. Pulp Paper $1	†0.82	−0.01
Assoc. Con. Industries	†1.61	+0.01
Aust. Foundation Invest.	†0.60	−0.01
A.N.I.	†1.28	.....
Aust. Oil & Gas	†0.08	.....
Blue Metal Ind.	†0.64	+0.02
Bougainville Copper	†1.22	.....
Broken Hill Proprietary	†6.34	+0.02
BH South	†1.28	.....
Carlton United Brewery	†1.70	+0.02
G. J. Coles	†1.47	+0.02
CSR ($1)	†3.56	.....
Cons. Goldfield Aust.	†1.88	−0.02
Container ($1)	†1.41	+0.01
Conzinc Riotinto	†3.21	+0.02
Costain Australia (20c)	†1.30	.....
Dunlop Rubber ($1)	†0.91	.....
ESCOR	†0.20	.....
Elder Smith ($1)	†2.0	+0.05
E.Z. Industries	†3.20	+0.05
Gen. Property Trust	†1.12	.....
Hamersley	†2.83	+0.03
Hill 50 Uranium NL	†0.18	.....
Hooker	†0.51	.....
I.C.I. Australia	†1.22	.....
I.A.C. Holdings	†0.54	.....
Inter-Copper	†0.87	−0.02
Jennings Industries	†1.08	+0.01
Jones (David)	†0.89	+0.01
Metal Exploration	†0.25	−0.01
MIM Holdings	†2.52	+0.02
Myer Emporium	†1.52	+0.01
News	†1.82	.....
Nicholas International	†0.71	+0.01
North Broken H'dings (50c)	†1.20	.....
Oakbridge	†1.12	+0.02
Oil Search	†0.07	.....
Pioneer Concrete	†1.12	−0.01
Reckitt & Colman	†3.35	.....
H. C. Sleigh	†0.54	.....
Southland Mining	†0.22	+0.01
Stocks & Holding	†2.55	.....
Tooth ($1)	†1.53	+0.01
Waltons	†0.64	.....
Western Mining (50 cents)	†1.60	+0.01
Woolworths	†1.27	+0.02

PARIS

April 28	Price Frs.	+ or —	Div. Frs.	Yld. %
Rente 4½%	555.6	−1.4	4½	0.7
Afrique Occid't'le	339	−2	19.5	5.8
Air Liquide	282.1	−4.9	15.5	5.5
Aquitaine	251.4	−5.1	24	8.0
BIC	528	+8	15.5	1.5
Bouygues	298	−2	30.0	10.0
B.S.N. Gervais	585	−5	57.8	9.9
Carrefour	1,157	−16	60	5.3
C.G.E.	225	−4	26.25	11.6
C.I.T.-Alcatel	670	−10	54.75	8.2
Cie Bancaire	225	−12.5	12	5.0
Club Mediter.	339.0	−2.5	2	1.7
Credit Com. Fr'nce	93	−1.2	11.1	11.9
Creusot Loire	76	−8	12	15.8
Dumez	558	−4	18	3.2
Fr. Petroles	95.1	−2.2	14.1	14.8
Gen. Occidentale	175.0	+0.5	8.25	4.7
Imetal	73.3	−0.6	5.25	7.1
Jacques Borel	101	−3.5	9	8.9
Lafarge	169.1	−0.8	16.77	9.9
L'Oreal	695	−0	15	2.1
Legrand	1,550	.....	30	2.0
Maison Phenix	1,283	−17	57.5	5.4
Michelin "B"	958	−22	30.6	3.2
Moet Hennessy	290	−5.5	11.85	3.9
Moulinex	160.2	−3.8	3	1.9
Paribas	142	−3	12.5	8.8
Pechiney	66	.....	7.5	11.4
Pernod-Ricard	268	−7	13.5	5.0
Peugeot-Citroen	209	−4.4	15	7.1
Poclain	[illegible]	.....	—	—
Radio Technique	379	−5	24	6.3
Redoute	540	−10	24.5	4.5
Rhone Poulenc	60	−1	9	15.0
St. Gobain	105	−2	15.55	14.7
Skis Rossignol	1,400	.....	37.5	2.7
Suez	205.5	−4.5	24.9	12.1
Telemecanique	504	−6	10.50	2.1
Thomson Brandt	147.5	−5.5	13.15	9.2
Usinor	22.9	−0.9	—	—

STOCKHOLM

April 28	Price Krone	+ or —	Div. Kr.	Yld. %
AGA AB (Kr.50)	182	.....	5.5	4.2
Alfa Laval B (Kr50)	146	.....	5	3.4
Asea (Kr.50)	125	−1	5	4.0
Atlas Copco (Kr25)	132	.....	6	4.5
Billerud	180	.....	2½	4.7
Bofors	315	.....	10	3.2
Cardo	335	.....	11	3.3
Cellulosa	311	.....	9.5	3.1
Electrolux 'B'	130	+1	6.5	5.0
Ericsson 'B' (Kr50)	157	.....	9	5.7
Esselte 'B'	253	+2	8	3.2
Fagersta	150	.....	8	5.3
Granges (free)	64	−2.5	—	—
Handelsbanken	273	+6	17½	6.4
Marabou	140xd	.....	8	5.7
Mo och Domsjo	138	−4	10	7.2
Sandvik A.B.	252	−3	6¾	2.8
S.K.F. 'B' (Kr50)	94	−1.5	4½	4.7
Skand Enskilda	220	−3	16	7.2
Tandstik 'B' (Kr50)	97.5	+0.5	5	5.1
Uddeholm	59	−0.5	—	—
Volvo (Kr50)	87.5	.....	6	6.8

OSLO

April 28	Price Kroner	+ or —	Div. %	Yld. %
Bergens Bank	102.5	+0.25	10	9.8
Borregaard	96	−1	4	4.2
Creditbank	115	+1	11	9.7
Kosmos	500xd	−15	20	4.0
Kreditkassen	108.5	−0.5	11	10.2
Norsk Hydro Kr80	230	−5	12	5.1
Orkla Ind.	63	−2	—	—
Storebrand	118.5	+1	10	8.5

BRAZIL

April 28	Price Cruz	+ or —	Div. Cruz	Yld. %
Banco Brazil PP	4.15	+0.10	0.18	4.34
Belgo Mineira OP	3.08	+0.08	0.14	4.55
Brahma PP	1.60	+0.01	0.15	9.38
Docas Santos OP	1.04	.....	0.15	14.42
Lojas Amer. OP	3.16	−0.01	0.20	6.33
Petrobras PP	2.55	+0.03	0.11	4.31
Samitri OP	3.05	+0.05	0.12	3.93
Mannesmann OP	3.85	+0.07	0.10	2.60
Souza Cruz OP	2.72	+0.02	0.21	7.72
Vale Rio Doce PP	2.38	+0.08	0.11	4.62

Vol. Cr.73.3m. Shares 29.9m.
Source: Rio de Janeiro SE.

JOHANNESBURG

MINES

April 28	Rand	+ or —
Anglo American Corpn.	5.73	−0.03
Charter Consolidated	13.05	+0.05
East Driefontein	8.40	−0.15
Elsburg	1.30	−0.03
Harmony	5.75	−0.18
Kinross	†3.95	−0.05
Kloof	5.50	+0.30
Rustenburg Platinum	1.45	
St. Helena	†18.50	
Gold Fields SA	15.25	
Union Corporation	3.40	
De Beers Deferred	4.18	+0.05
Blyvooruitzicht	5.00	+0.05
Free State Geduld	15.50	−0.60
President Brand	14.75	
President Steyn	9.20	−0.10
Stilfontein	2.83	−0.02
Welkom	2.50	+0.05
West Driefontein	†28.25	
Western Holdings	19.00	−0.25
Western Deep	10.18	+0.20

INDUSTRIALS

	Rand	+ or —
African Explos. and Chem.	1.92	+0.02
Anglo-Amer. Industrial	7.30	+0.05
Barlow Rand	2.60	+0.02
CNA Investments	†1.15	
Currie Finance	0.59	+0.01
De Beers Industrial	†8.80	
Edgars Consolidated Inv.	†2.00	
Edgars Stores	†23.50	
Ever Ready SA	1.15	
Federale Volksbeleggings	1.80	
Greatermans Stores	2.45	
Guardian Assurance (SA)	1.15	
Huletts	1.75	−0.03
LTA	11.25	
McCarthy Rodway	10.45	
NedBank	1.65	
OK Bazaars	5.65	+0.05
Premier Milling	6.30	+0.15
Pretoria Cement	†2.65	
Protea Holdings	0.60	−0.01
Rand Mines Props.	1.40	
Rembrandt Group	2.50	+0.02
Retco	0.45	
Sage Holdings	†1.05	
SAPPI	1.50	
C. G. Smith Sugar	5.60	−0.05
Sorec	†0.48	
SA Breweries	0.83	+0.02
Tiger Oats and Nat. Millg.	7.15	−0.05
Unisec	0.96	−0.01

SPAIN ♥

April 28	Per cent.	
Asland	124	−3
Banco Bilbao	443	
Banco Atlantico (1,000)	347	−3
Banco Central	508	—
Banco Exterior	475	−3
Banco General	422	+2
Banco Granada (1,000)	256	—
Banco Hispano	310	−3
Banco Ind. Cat. (1,000)	278	—
B. Ind. Mediterraneo	236	—
Banco Occidental	229	—
Banco Popular	344	—
Banco Santander (250)	519	—
Banco Urquijo (1,000)	395	—
Banco Vizcaya	345	
Banco Zaragozano	617	−6
Bankunion	233	−2
Banus Andalucia	257	+1
Babcock Wilcox	65	—
CIC	210	−2
Dragados	455	+5
Inmobanif	129	—
E. I. Aragonesas	82.5	−0.5
Espanola Zinc	132	—
Expl. Rio Tinto	156	−1
Fecsa (1,000)	90.25	+1.25
Fenosa (1,000)	92	−0.5
Gal. Preciados	235	—
Grupo Velazquez (400)	195	—
Hidrola	101.50	+0.25
Iberduero	111.25	+0.25
Olarra	227	+3
Papeleras Reunidas	108	−1
Petroliber	180	—
Petroleos	304	−1
Sarrio Papalera	140	—
Sniace	66	+1
Sogefisa	198	—
Telefonica	113.50	+0.25
Torras Hostench	156	−4
Tubacex	209	−2
Union Elec.	96.50	+1.50
Urbis	132	−1

The Property Market

BY QUENTIN GUIRDHAM

Discounting Land and House

Those looking to bids for small to medium quoted property groups, in relative health and with key insurance company holdings, were rewarded with the 100p a share cash offer for Land and House Property Corporation. Most, however, would have bet that General Accident would be the bidder. Including its pension fund's holding, it has 15.34 per cent. of the share capital. And despite its Rights Issue, General Accident has been thought to be contemplating a bid for one of its associated property groups. Not this one though, for it has been happy to take the 100p, against stated net assets of 165p, offered by Friends' Provident Life Office.

Land and House shares stood at 69p before their temporary suspension immediately before the bid was announced. Even so, there was some surprise at the price, as well as the bidder.

It represents the sort of discount which makes a mockery of solemn asset value calculations, and striking the agreed bid at precisely 100p sounds very much like a horse-trading price rather than anything worked out with calculators. But then the stated assets had to be balanced against the high gearing, including too much short-term foreign borrowing, possible further write-downs in Australia, a site in Frankfurt which has cost Land and House £2.2m. with no building consent or compensation yet, doubts about a Brussels project, and a U.K. portfolio which contains much that is less than prime. In any event the price has satisfied General Accident. Schroder Wagg (called in to give a view since both parties were Lazard clients) and the Land and House Board. The directors control 27.3 per cent. of the shares, most of them belonging to Richard Tomkins, managing director.

To put the discount agreed by these in a cruel historic perspective, when the venerable Land and House decided to change pace in 1972 by buying Tomkin's private group and its management, it paid with 3.66m. shares worth £5.55m. for net assets of £4.275m., with a further 368,000 shares following later.

Friends' Provident had backed this private Frincon Holdings company, and has no doubts about buying out the enlarged group. Quite obvious, says this mutual (and strongly Quaker) life office. "Prices have been so strong in the last year that we haven't really bought anything, in fact we've made some sales." It admits that Land and House has some "quite hairy things in Europe," and indicates it will dispose of some of these, though not in a hurry. But to the buyer this looks a chance to buy at sensible yields when the company is on the defensive because of a pretty tight, though not mortal, squeeze on liquidity.

There are plenty of other companies in a similar position. Many have managements holding large chunks of equity and growing old with little to do but refinance, clean up the odd recent disaster and count the rent. Where there are also large insurance company holdings, an eventual bid must be likely and bid-spotters might do better looking at the age of the key shareholders rather than at asset values.

That formula, however, would not have worked for Land and House, since Tomkins is 50 and with £2.5m. from this bid, he does not rule out the prospect of starting again on his own. Meanwhile General Accident, should it want to buy a property company in the next few years, still has the choice of McKay Securities (where it has 26.5 per cent.), Property and Reversionary (24.4 per cent.) which holds 17.5 per cent. of Property Investment and Finance, and Centrovincial Estates (28.2 per cent.). The last may be the most likely.

Camden loses Centre Point case

Camden Council's bid to compulsorily acquire maisonettes in Centre Point and let them to council tenants finally failed in the House of Lords yesterday. The Law Lords revised an Appeal Court decision and allowed, by a 4-1 majority, appeals which sought to quash the council's order.

The Law Lords decided that the order—The London Borough of Camden (Centre Point Residential Accommodation) Compulsory Purchase Order 1972—which had been confirmed by the Environment Secretary cannot stand.

The council had aimed to acquire 36 two-storey maisonettes on six floors. The flats have stood empty since they were completed in the winter of 1966-67.

The point of law involved concerned whether the order carried with it ancillary rights covering various means of access for the council and their tenants.

The compulsory purchase order did not in Lord Wilberforce's judgment secure for the council the rights which the council required, and the Secretary of State's hypothesis was not therefore well-founded. Lord Russell of Kilowen dissented.

Meanwhile, the Centre Point office tower continues to stand empty bar its single shipowning tenant. But there are strong hopes that the new marketing campaign will produce some tenants for the majority owners, the Co-operative Insurance Society.

Mobbs objects to ED 18

Nigel Mobbs, chairman of Slough Estates, has used his first annual statement for a blast at Exposure Draft 18: "I am concerned that the possible introduction of Current Cost Accounting as envisaged in ED 18 (the Morpeth Committee Report) will adversely affect the published profits of property companies. I believe that unless the present proposals are considerably modified, the change in accounting convention could be very misleading. We intend to argue strongly that the special circumstances of property companies be properly recognised."

Mobbs says his criticisms cover a fairly wide range. Basically, at a time when companies are trying to make their accounts more understandable, CCA will introduce "terrible confusion." He is further worried that the authenticity of the new standard will not be quickly accepted because it "puts tremendous discretion on the Board."

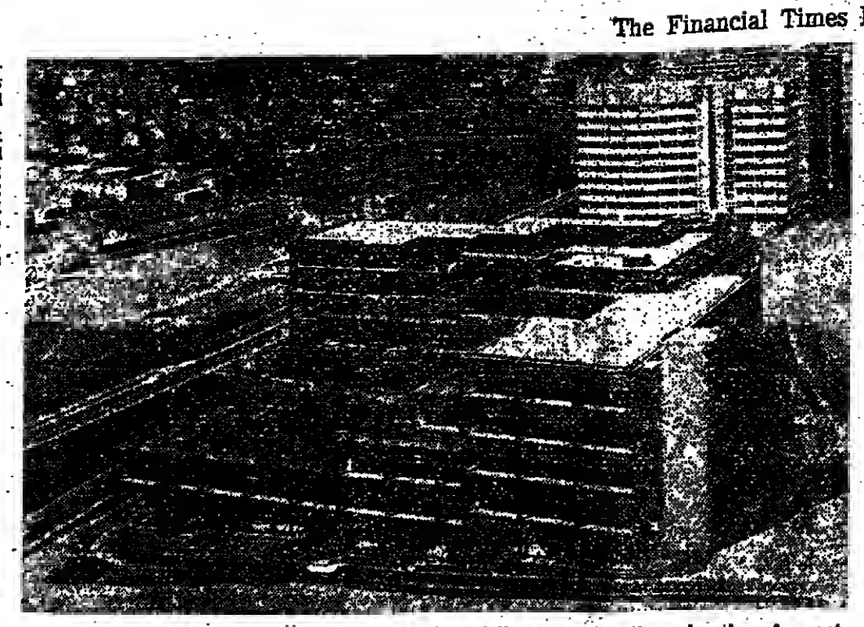
The broad technical point which Mobbs, and many others, criticise is that the whole Morpeth effort is half-hearted in not dealing with monetary items. In the case of property companies, whose assets ultimately consist of the value attached to future income flows, this is particularly relevant.

Mobbs's final point is the one which really frightens most property companies. If depreciation is charged in the profit and loss account, it will frequently wipe out all profit even from sound companies. They would, of course, demonstrate that this is only half the story with the revaluation surpluses shown in the reserves, and probably pay dividends from there too. But at the least, says Mobbs, this is going to make trouble on the international front, confusing foreign bankers and "making British companies look less viable than they are."

Phillip Sober, partner of accountants Stoy Hayward, who are financial advisers to the British Property Federation, has put this point succinctly in an article in *The Accountant*. Quoting the exercise the BPF did on the effect of depreciation proposals at the time of the Sandilands Report, which showed huge deficits in distributable income for many companies, he writes: "It is appreciated that, under ED 16, these deficiencies may be made good by corresponding increases in revaluation surpluses but the current cost profit or loss will become a meaningless figure."

Sober argues that "an annual valuation takes into account the deterioration, obsolescence and life expectancy of a building, and to attempt to separate depreciation from all the other factors which affect values such as changes in rental yields and demand for space is, in my view, misguided." He also queries several important details of the RICS proposals on valuation accepted by the Morpeth Committee, and still argues for the review system by outside valuers.

Sober also doubts the practical wisdom of encouraging upward revaluations of developments in progress. In theory it is necessary, he concedes; in practice there are enough uncertainties in valuing existing investments, yet alone the imponderables of an unlet development. But his main grouse on ED 18 is the depreciation point and one can expect many companies to campaign for a rethink here.



This is the end product of arguably the most financially successful office relocation of recent years, the new Wiggins Teape headquarters at Basingstoke. The BAT subsidiary sold its Gateway House in the City for £28m. in 1972. This new Gateway House cost £10m. Lord Mountbatten of Burma, opening it this week, said that central administration costs there were about £1m. a year cheaper than in London. Also that the spare cash generated by the City sale had helped Wiggins Teape through the recession by saving £9m. in interest charges (which it well needed, given the troubles in paper in 1974-75). The spare office accommodation taken during the move has now been let or assigned (the 63,500 sq. ft. Belgrave House in Basingstoke was leased on the basis of handing it back to the owners, the Cadbury Schweppes pension fund). The one loose end to tie up is assigning the lease on 3-4 Lincolns Inn Fields at £8.50 a sq. ft. WT's agents throughout have been Strutt and Parker.

OUT AND ABOUT

● Chesterfield Properties BV, effectively a 50 per cent. subsidiary of Chesterfield Properties and with the other 50 per cent. owned by H. P. Ronson, have sold their freehold investment at the junction of the Keizersgracht and Vijzelstraat in the banking centre of Amsterdam through Jones, Lang, Wootton BV. The purchaser is Beleggingsfonds Onroerende Goederen, an investment fund managed by the Algemene Bank Nederland.

The property, which comprises some 5,200 square metres of offices and banking hall, was completed in the middle of 1976 and pre-let to the Bank of Tokyo on a long term lease. No purchase price has been disclosed but JLW had been seeking offers of approximately 21m. guilders (nearly £5m.).

● The annual conference of the Incorporated Society of Valuers and Auctioneers is open to members and non-members alike for the first time. It is also cheap, at a £15 registration fee for the three days, May 4-11. Speakers and panellists include Sir Frank Layfield, Sir Desmond Heap, J. R. Madge, chief executive of the Housing Corporation, Hugh Rossi, Francis Gotts, president of the American Society of Appraisers, Edward Erdman, F. P. W. Maynard of Land Securities, and H. G. Simpson, controller of housing for the Greater London Council.

● The Blue Peter Works, Basingstoke, owned by Sage Estates, has finally been sold by that company's liquidators Cork, Gully (for whom Allsop and Co. acted) to Moniton Technic. There is a total of 197,000 square feet on the 6.3 acres. Moniton will occupy 75,000 square feet and refurbish the rest of the buildings. Weller Eggar acted for Moniton Technic.

● Planning permission is being sought by J. Gliksten and Son, a subsidiary of International Timber, for industrial and warehouse development on 12 acres of its site at Stratford, London. Consultants are Edward Erdman and Co.

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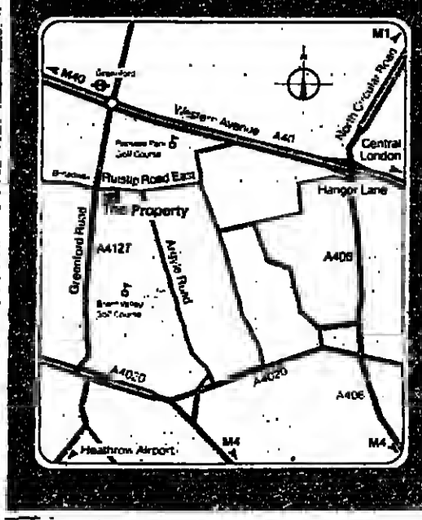

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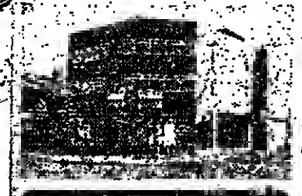

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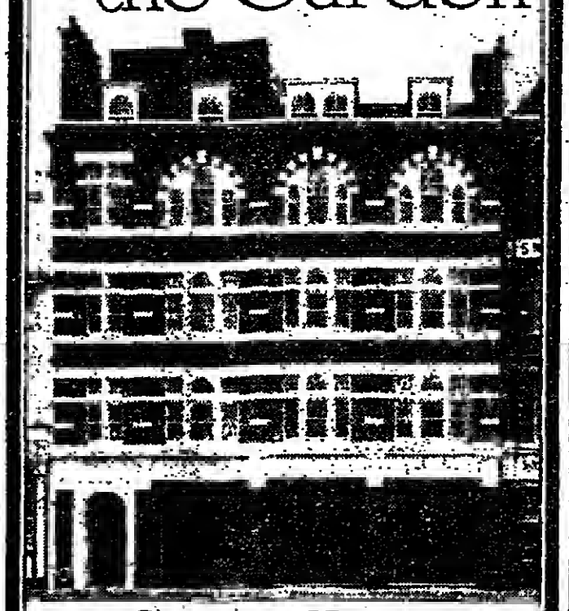

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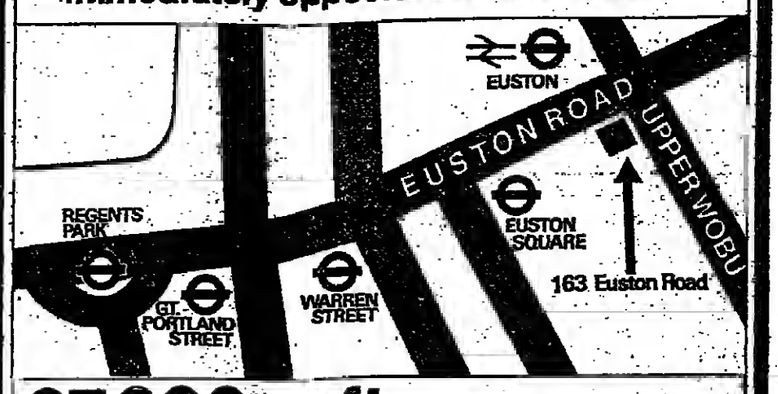

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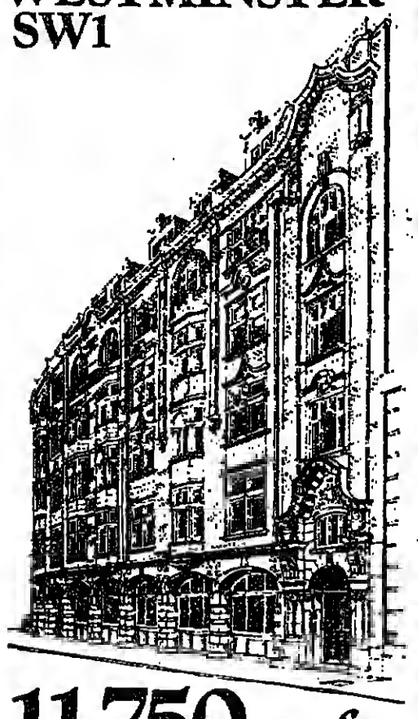

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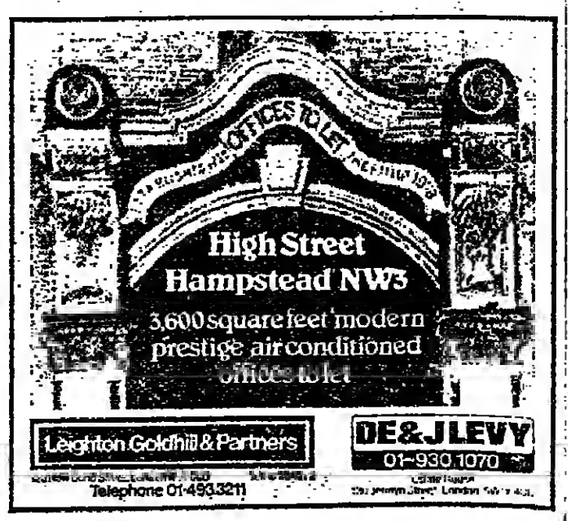

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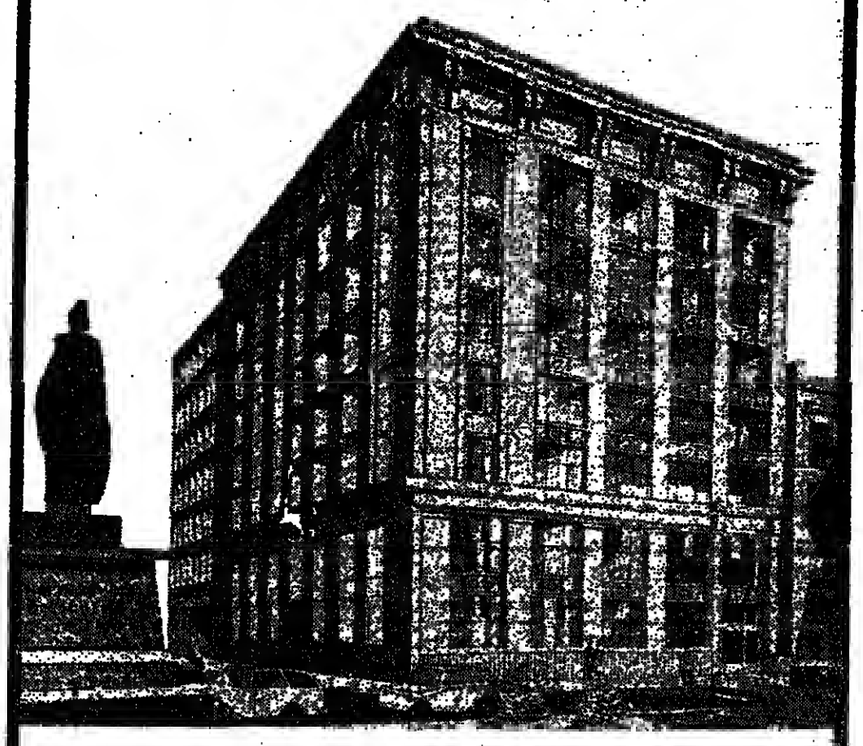

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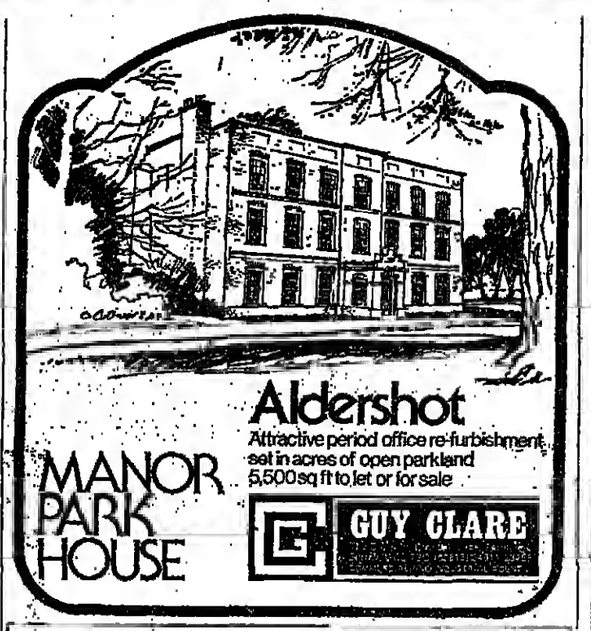

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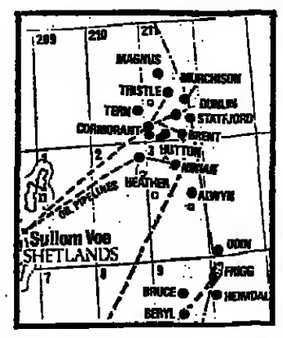
NORTH SEA OIL REVIEW

BY RAY DAFTER, recently in Shetland

Sullom Voe: the key to North Sea prosperity

A NEW CONTROVERSY has arisen over the delays in constructing the £500m. Sullom Voe oil terminal in Shetland, and the effect which these delays may have on North Sea oil production and Britain's balance of payments.



The terminal, being bedded down in a remote, peat-blanketed corner of Shetland, is destined to handle over half the oil needed to make Britain self-sufficient in energy. There are plans for nearly trebling its capacity, should the need arise.

Partly because of its importance and impact on the island community the project has been dogged with problems which have not been eased by the fact that no less than 30 oil companies will have a stake in the crude passing through it.

Originally, the terminal was scheduled to be opened last year. Delays to the development of the North Sea fields it will serve eased the pressure on this timing. Now, with the big Brent field already producing oil and several more fields coming on stream in the coming year, the speed of terminal construction has become crucial.

Sullom Voe is intended to handle crude from Shell/Esso's Brent, Cormorant and Dunlin fields, the Thistle Field, operated by the British National Oil Corporation, Chevron's Ninian Field and Union Oil's Heather Field. Together, these northerly discoveries should be yielding around 1.2m. barrels a day in the early 1980s.

But to make sure that the maximum benefit is gained from their development in the next few years, changes are being made both offshore and at Sullom Voe. The Cormorant platform which will act as the main transmission unit for all the fields linked to the Brent pipeline system will not be installed until next summer so, while they wait, oil companies will be loading any crude oil produced into tankers. About 53,450 barrels a day were produced from the Brent Field in this way last month.

In Shetland plans are being put into effect which will enable at least some oil to be handled from early next year, but it will be at least January, 1979, before the terminal will be able to accept untreated crude. While the processing plants are being built, oil companies will have to stabilise the crude oil offshore, a process that will mean large quantities of gas being flared and wasted. Such flaring will need Department of Energy sanction. Few doubt that this will be given, for in its economic state the country needs every drop of oil that can be produced over the next few years.

This is why so much fuss has been engendered by the latest report by stockbrokers Wood, Mackenzie. The report states that oil production worth over £600m. during the two years 1978 and 1979 will be delayed because of the terminal and platform problems. The company has reduced last year's estimates of the amount of oil which will be flowing through the terminal by 90,000 barrels a day in 1978 and by 130,000 b/d in 1979, a drop equivalent to 6 per cent. and 7 per cent. respectively in the total output from U.K. fields in those years.

The report rankled because it contradicted the main message emerging from the Department of Energy these days; that thanks largely to enhanced production from BP's Forties Field, Occidental's Piper Field and Shell/Esso's Auk discovery, Britain's North Sea oil producers are doing better than expected.

The oil companies are annoyed at the publicity aroused by the report, for it has again focused the spotlight on the Sullom Voe terminal at a time when they are about to start a vital but particularly sensitive construction phase.

There are now about 1,450 workers on site, mainly concerned with civil engineering work. One of the early tasks has been to strip away layers of peat, up to 18 feet thick in places. But at least this early work has been relatively free from industrial disputes.

Over the next year, the emphasis will swing towards mechanical and electrical engineering tasks, with a build-up of labour force to almost 3,000. The project will be a clear test of the site performance of the engineering construction industry, a performance which to date has been found wanting.

The Economic Development Committee for Mechanical and Electrical Engineering Construction reported in December that project times in the U.K. were longer than those abroad; there were also more delays in Britain. Furthermore, productivity was higher abroad and manning levels were lower. Absenteeism was a particular problem in the U.K., accounting for as much as 15 per cent. of man-hours on two particular sites. The main focus of the EDC recommendations was on the need for improving site morale and labour relations—two points taken to heart in Shetland.

Construction work at Sullom Voe: in places 18-feet-deep peat had to be removed.

British Petroleum, as manager for the construction work (and, probably for the terminal's operation as well), has taken the unusual step of inviting the potential workforce to induction courses, held near Glasgow. Here the men are told of the conditions they will face in Shetland. For example, they will be expected to live in one of two specially-constructed camps, working shifts of five weeks on and one week off.

The labour force will have to contend with the Shetland weather—plenty of wind and rain, although the well-travelled BP engineers point out that the conditions are not as severe as those encountered by the labour force involved in the Alaskan oil project. Shetland is also remote, with virtually no industrial infrastructure. But, again, BP emphasises that some of the Middle East sites are even more isolated.

Nevertheless, the contractors will face problems on top of the ones normally encountered on large U.K. sites, a situation recognised with some apprehension by the Government, the oil companies and the Shetland Islands Council.

Mr. Basil Butler, manager of the Sullom Voe terminal commented: "Our biggest problem that we now have to face must be in the area of industrial relations, to which we are devoting considerable effort. In the past the sheer complexity of the organisation was the greatest problem. This led to many difficulties and misunderstandings, but in the past year the situation has improved enormously."

Much of this misunderstanding occurred in dealings between the oil industry and the Shetland Islands Council which, thanks to the 1974 Zetland County Council Act, acquired unprecedented powers of control over the oil-related development. This is where the report on delays is opening up wounds.

Mr. Alexander Tulloch, convenor of the SIC, is "furious" at the implied criticism that the Council was responsible for the delays, although it is a matter of fact that the row between the SIC and the industry over the construction of storage tanks set back the project by over a year.

The Council, worried about the risk of accidents and spillages, wanted the tanks to be built underground; for financial and environmental reasons the oil industry favoured surface storage. Eventually the oil companies got their way, but in return they had to redesign the crude processing plants.

These units will handle untreated and differing crudes from the six offshore fields linked to the Brent and Ninian pipeline systems. At the Council's insistence the processing units will be much more flexible than originally planned. This should help to avoid duplicated expansion if and when further fields are linked to the terminal.

Redesigning the processing units may have added a further £20m. to the overall costs of the terminal. But what is perhaps more significant, is that the first part of the plant will not be on stream until early 1979—January 1979, all being well. Further capacity is scheduled to be added in April 1979 and later, with the first two liquid petroleum gas plants perhaps ready in March and October respectively.

The effluent treatment plant will not be ready until July next year at the earliest which will mean that for at least six months tankers will not be able to discharge ballast, which in turn will restrict the amount of crude they will be able to carry.

All this means that for an appreciable initial period the Sullom Voe terminal will be providing only a fraction of the services for which it has been designed, and even then belatedly. The aid is expected to start flowing from the Heather or Ninian fields in February, by the end of next year—when Brent oil is added—the throughput should be about 500,000 b/d.

Mr. Tulloch contends that if the oil industry had accepted below-ground storage, most of the delays would not have occurred. "There is no doubt that underground storage would have been better. Future generations of Shetlanders could condemn us for giving way, for overriding the interests of Shetland in the interest of the nation."

It is with this sentiment that the council is arguing with the oil industry over the location of the outfall from the effluent treatment plant. The council is particularly concerned about the effect of the terminal effluent on the local fishing grounds.

Throughout the planning stage, environmental issues have been at the forefront of the argument. The SIC walked out of the old environmental advisory group because the group was too heavily weighted on the industry side. With hindsight, the companies were naive to establish a so-called independent body with an oil industry secretary and chairman. A new organisation is now being formed with independent officers and much greater Shetland representation.

The degree of local influence on the terminal development must be far greater than ever experienced by an industrial group. The whole project is overseen by a unique association, jointly run by the council and the pipeline groups.

The council is also involved in joint ventures: it has a half share in a new towing company; it has joined Grand Metropolitan to build and operate one of the construction camps. Even the Lerwick Harbour Trust is taking a hand, promoting the construction of a 72-bed hotel on the harbour side. (The Trust's revenue has risen from £28,000 in 1967 to over £1m. a year, largely on the strength of the oil business.)

These new commercial interests, together with a negotiated disturbance allowance, could earn the 19,000 Shetlanders perhaps £5m. or £6m. a year in revenue over the next 20 years. But a suggestion that Shetland is about to benefit from a £100m. windfall earns a stern rebuke from Mr. Tulloch.

"People always assume we are wealthy. But what happens to our people once the work at the terminal goes? They are earning £100 to £150 a week as unskilled labourers—where will they find that sort of money elsewhere in the islands? We must use the revenue to ensure that we have viable, indigenous industries like fishing, fish processing, knitwear and agriculture."

There are still many social and industrial problems to overcome in Shetland. The figures produced by Wood, Mackenzie may be too pessimistic when judged against the offshore contingency plans being implemented, and the schedule laid down for the Sullom Voe development. But much rests on how the contractors, oil companies and islanders progress in the next year.

As Mr. Basil Butler commented: "Sullom Voe may not be the biggest project in Britain, but in terms of our balance of payments and economy, it must be the most important.

SULLOM VOE THROUGHPUT: THE CONTESTED REVISED FORECAST
('000 Barrels a day)

Field	1978 Original	1978 Revised	% Change	1979 Original	1979 Revised†	% Change
Brent Pipeline						
Brent	170	140	−18	280	200	−29
Cormorant*	—	—	—	20	20	—
Dunlin	30	—	−100	60	60	—
Thistle	100	70	−30	180	130	−28
Ninian Pipeline						
Ninian	50	50	—	150	150	—
Heather*	25	25	—	50	50	—
Total	375	285	−24	740	610	−17

† Revised from 1976 forecasts.
* Cormorant and Heather will be affected insofar as they will have to flare gas until the stabilisation plant is ready. Forecast oil flow will probably be unaffected.

Source: Wood, Mackenzie

APPOINTMENTS

Management reorganisation at Spillers

Spillers has made the following changes in the management structure of the group from May 1. Mr. W. M. Vernon will continue as chairman and chief executive. Three main Board directors will become divisional managing directors: Mr. D. C. Halley, milling, baking and agriculture division; Mr. N. L. Rigby, general products division; and Mr. D. R. Hornby, international division. Mr. R. I. H. Paul will continue as vice-chairman and will be the director responsible for personnel and group services; and Mr. W. C. Shaw will continue as finance director, and Mr. H. R. Philpot will become a non-executive director; Mr. H. Colbourne retires on May 31.

The company states that it is intended to appoint a number of non-executive directors from outside the group.

In the milling, baking and agriculture division, Mr. E. C. Humphreys becomes managing director of the milling group. Mr. J. S. Harvey remains managing director of the baking group. Mr. M. C. Mynard and Mr. L. F. Ratcliff will be joint managing directors of the agriculture group and Mr. J. A. C. Hosegood continues as managing director of the grain and feed group.

In the general products division, Mr. G. R. John is appointed managing director of the grocery products group, Mr. M. Moriarty managing director of the food ingredients group, while Mr. T. C. Hixson remains managing director of the meat group.

There are no management changes in the international division which will comprise Spillers International Agriculture, Spillers Foods International, Spillers Food Services International, and Spillers Iran.

★

Mr. D. A. Smith is to join the Salisbury Regional Board of LLOYDS BANK, which sits under the chairmanship of Mr. S. James L. Hill. The appointment is from May. Mr. Smith is a director of Powell Duffryn, and chairman of Hamworthy Engineering, Hymac, and Powell Duffryn Engineering.

★

Mr. Alistair I. Annand has been appointed a director and managing director of WOOD HALL TRUST.

★

Mr. Tom Garnier has been appointed managing director of the KALAMAZOO GROUP from May 1 to succeed Mr. Peter Cakebread, who is retiring from that position and will become vice-chairman.

★

Mr. William Gair has been appointed managing director of WATES BUILT HOMES. He was formerly managing director of Barretts Developments (Hull).

★

The Rugby Portland Cement Company has reconstituted the Board of its subsidiary, RPC TECHNICAL SERVICES. Mr. Maurice Jenkins, managing director and deputy chairman of the parent company, continues as chairman of the subsidiary and Mr. R. J. Gates, the group's chief engineer, has been appointed its managing director. Other members of the Board are Mr. A. N. Williams, an assistant managing director of the parent company, and Mr. D. Morgan, Mr. E. S. Seager and Mr. C. D. Senior, all senior executives of the parent concern.

★

Mr. C. K. R. Nanneley has been elected a director of the MONKS INVESTMENT TRUST.

★

Mr. Alex Bennett has been appointed chairman of the WHITBREAD INVESTMENT COMPANY in succession to Colonel W. H. Whitbread, who has retired as chairman but remains on the Board.

★

Mr. G. H. G. Tilling, at present director postal operations at the POST OFFICE headquarters in London, is moving to Edinburgh to take over the chairmanship of the Scottish Board from Mr. Trevor Carpenter, who is retiring. Mr. John Kibble, an assistant director at postal headquarters, is to be chairman North Western Board, in Manchester, on the retirement of Mr. A. Heaton. Both appointments become effective in July.

★

Mr. Thomas Rutherford, at present chairman of the South Eastern Electricity Board, takes up his appointment as chairman of the NORTH EASTERN ELECTRICITY BOARD on May 16 for five years.

★

The Duke of Kent is to become the next president of the ROYAL TELEVISION SOCIETY for two years. He will take over from Aubrey Buxton of Anglia Television on May 26.

★

Mr. Denis L. Robinson, a director and the field manager of the WESLEYAN AND GENERAL ASSURANCE SOCIETY, has been appointed a deputy general manager.

Mr. R. Baker

Mr. R. Baker has been appointed deputy chairman of CLARKE CHAPMAN and continues as finance director. Mr. T. Harrison is now managing director.

★

Mr. Tom P. Barlow is to retire from the Board of ROLLS-ROYCE MOTORS HOLDINGS on June 17.

★

Mr. Ralph F. D. Riber has been appointed marketing director and Mr. George J. Field, technical director, on the Board of KANGO ELECTRIC HAMMERS, a member of the Dobson Park Industries Group.

★

Mr. L. Julius has become chairman and Mr. F. Glenister, deputy chairman, of the FURNITURE INDUSTRY RESEARCH ASSOCIATION for 1977-78.

★

Mr. Frank Goulding, chairman and managing director of Pfizer, has become president of the ASSOCIATION OF THE BRITISH PHARMACEUTICAL INDUSTRY.

★

Mr. Harry Carter, general manager of IMAGE ARTS, has joined the Board. Mr. Alan Hill, the company's chief accountant, has been made a director and company secretary.

★

Mr. Pat Paterson, chairman of the U.K. operations of Ideal-Standard, has been appointed president of Ideal-Standard Europe, a subsidiary of AMERICAN-STANDARD INC. Mr. Richard Mather, formerly general manager, marketing, with Ideal-Standard U.K., is moving to the U.S. to take up an appointment with AMERICAN-STANDARD as vice-president, strategic planning, of the company's building products group world-wide operations. Since 1973, Mr. Mather has been a vice-president with IdealStandard Europe, responsible for marketing and business planning.

★

Mr. Roger E. Hallick has been appointed general manager of the DERBYSHIRE BUILDING SOCIETY.

★

Fitch Lovell states that Mr. Peter Couture has been appointed finance director of LOVELL AND CHRISTMAS. He was group financial controller. Mr. Russell Miller has been made group chief accountant.

★

Mr. Denis Lacy has been appointed the first British director of CAOBISCO, the EEC association of the chocolate and confectionery and the cake and biscuits industries, with effect from May 1. The headquarters of CAOBISCO are in Paris.

★

Mr. C. Michaelides has been appointed technical director of Smith Meters. The parent concern UNITED GAS INDUSTRIES states that on June 1 its industrial meter business in Exeter will merge with its foundry business there. The combined businesses will operate under common management led by Mr. J. B. Crossley, who will be appointed managing director of Willeys of Exeter. Mr. Crossley will also become a director of UGI (Meters) and will remain on the Board of Teddington Components. Mr. W. W. Rogers is to be foundry director of Willeys of Exeter. Mr. H. S. Booth will succeed Mr. Crossley as managing director of Teddington Components which will continue to operate as an independent business. He will remain on the Board of Teddington Bellows.

★

Sir Frank Marshall has been appointed president of the LEEDS AND HOLBECK BUILDING SOCIETY, succeeding Mr. G. H. F. Nelson. Sir Frank is a director of Barr and Wallace Arnold Trust and other companies and deputy chairman of Municipal Mutual Insurance. Mr. Basil Sheldon has been made vice-president of the society.

★

Mr. P. A. Reeve, managing director of Carless Petroleum, has been appointed to the Board of CARLESS SOLVENTS in a non-executive capacity. The parent concern is Carless Capel and Leonard.

★

Mr. David Moss and Mr. Oliver Atkins, divisional general managers of BARCLAYS BANK TRUST COMPANY, have been appointed executive directors.

★

Mr. R. J. Warren has been appointed a director of ELECTRICAL PRESS, a member of the BET Group.

★

Mr. J. Barry Gibbins has been appointed secretary to the LEICESTER BUILDING SOCIETY. He succeeds Mr. Leslie Vickerman, who is retiring at the end of April.

هكذا من الأصل

Better soya crop yield expected

WASHINGTON, April 28.

THE RECENT IMPROVEMENT in rainfall in the major U.S. soyabean-producing areas means the yield might be nearly 1.6bn. bushels, easing the tight supply situation in 1977-78, the U.S. Agriculture Department said.

In a summary of the fats and oil situation to be issued on May 5 the USDA again noted its projection of a 1.4bn. bushel crop.

Soaring soyabean prices have not yet reduced utilisation, it noted. Crushings and exports this marketing year have exceeded 1975-76 levels by more than 3 per cent. despite a 13 per cent. reduction in this season's supply.

By September 1, soyabean stocks are expected to be down to minimum levels, perhaps about 65m. bushels, compared with 245m. a year earlier.

Soyabeans exported so far this marketing year and outstanding export sales exceeded estimated supplies.

● Trading in the new soyabean oil futures market opens in London on Monday at 3.15 p.m., the London Vegetables Oil Terminal Market Association said. The new contract deals in 50 tonne units with a minimum fluctuation of 10p a tonne and a limit fluctuation of £20 a tonne.

The quality specification is for crude degummed soyabean oil with a maximum of 1 per cent. free fatty acid and 0.5 per cent. moisture and impurities.

Rise in Peru fishmeal output forecast

WASHINGTON, April 28.

THE U.S. Agriculture Department forecast Peru fishmeal output of about 1m. tonnes, based on this year's anchovy fishing goal of 4.5m. tonnes. This production would be 15 per cent. above last year's volume.

The USDA gave the following anchovy statistics forecast for 1977 (last year in brackets): catch 4.5m. tonnes (3.91), meal production 1m. (849,000), January 1, stocks 183,000 (40,000), supply 1.18m. (889,000), exports 1m. (625,000), apparent consumption 100,000 (81,000).

It said that on a soyabean meal equivalent basis the indicated increase for exports this year would amount to the protein fraction of 25m. bushels of soyabeans.

Reuter

Brazilian coffee estimate cut because of fungus

BY SUE BRANFORD

SAO PAULO, April 28.

REPORTS OF a cut in this year's Brazilian coffee crop estimate have been confirmed by Sr. Camilo Calazans, president of the Brazilian Coffee Institute. He said the Sao Paulo crop estimate had been cut by 10 per cent. from an earlier forecast of 6.6m. bags (60 kilos each).

The reduction has been caused by a fungus called "Bicho Mineiro" which has become much more prevalent in recent years, possibly due to a biological imbalance brought about by the intensive use of sprays to wipe out rust disease.

Sr. Calazans said he did not possess up-to-date information on harvest prospects in other states. "If production in Sao Paulo is falling because of the fungus, the tendency is for the other states to follow suit." Brazil's harvest this year was originally put at 14.8m. bags.

The present high coffee prices are having their effect on consumption, even here in the "land of coffee." According to the Coffee Roasters' Association per capita coffee consumption in Brazil has fallen 39 per cent. since 1970. In that year 93m. Brazilians drank 8.8m. bags, or 5.7 kilos a person. Last year 110m. Brazilians consumed just 6.4m. bags, or 3.5 kilos a person.

The Association believes the drop will be only temporary. According to a spokesman "the success of the institute's replantation plan makes it evident that coffee will be abundant and reasonably priced on the Brazilian market by 1979-80. When prices start falling we shall carry out a lively campaign to promote domestic consumption."

Sr. Calazans also made it clear that a quota system for coffee exports could be imposed from July, as the only means of guaranteeing domestic supplies. In general terms, the system would operate so that the export of two bags would be authorised after one bag had been sold on the domestic market.

Exporters here have expressed willingness in principle to take part in the scheme. But they are demanding firstly that the ratio be four bags for export in exchange for each bag for the domestic market and secondly that the institute compensates for the reduction in earnings by lowering substantially the "confisco cambial" or export tax.

Sr. Calazans thought it unlikely that registrations for July exports would be authorised soon. Present prices for Brazilian Arabica and African Robustas and blendings were too close to make sales advantageous. He believed Brazil had over-exported coffee in the first few months of the year.

Our commodities staff writes: Prices on the London coffee terminal market moved erratically yesterday before closing little changed on the day.

Nearby delivery positions opened about £30 a tonne higher in line with the overnight tone in New York, but a quick resumption of the bearish trend established a net fall of £110 in the morning.

Heavy buying (both for futures and physicals) emerged at the lower levels, however, and prices rose about £150 a tonne with the July position to reach £3,670 a tonne. At the close July coffee was quoted £27.5 higher on the day at £3,652.5 a tonne.

Dealers said the price fluctuations mainly reflected market sentiment, though news of a 100,000-bag purchase of El Salvador coffee by a West German concern may have encouraged the recovery.

Slow start to EEC sugar talks

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

BRUSSELS, April 28.

THE ANNUAL negotiations between the European Commission and the sugar-producing members of the Lomé Convention countries over arrangements for the Community's sugar imports got off to a slow start today, as both sides skirted around the key issues.

The central question to be settled is the price at which the EEC will guarantee to buy about 1.3m. tonnes of raw cane sugar from the African, Caribbean and Pacific countries linked to it by the Lomé Convention in the 12 months from July 1. This amount destined mainly for British refineries, represents about two-thirds of these countries' total sugar exports.

By late this afternoon neither side had named precise opening figures, though the indications were that the Lomé group would demand a guarantee price at least equal to the intervention price for European beet producers.

Earlier this week EEC Farm Ministers agreed to raise the level of the latter 3.5 per cent. to 27.25 units of account per 100 kilos of raw sugar, or about £160 a tonne.

The guarantee price for imports is fixed at 28.7 units of account per 100 kilos of raw sugar. According to Commission calculations this is already 57 per cent. above world market prices, though the Lomé producers argue that they need a more generous deal to compensate them for rises in production costs averaging 16 per cent. over the year.

The sugar producers have also made clear that they intend to press hard for a net guarantee price, out of which they will not be required to meet sugar storage costs, as they have done in the first two years of the arrangement. They say this requirement contravenes the original provisions of the Lomé Convention.

A further concession sought by the sugar exporters is the backdating of the settlement to be reached at the current negotiations to cover sugar produced since the start of this year. This demand is designed chiefly to benefit the Caribbean exporters, whose campaign opens about six months before that of the EEC.

Under the arrangements the EEC contracts to purchase specified quantities of sugar from each of the 16 Lomé Convention members who produce it. If the exporters, all of them traditional Commonwealth suppliers, fail to meet their quotas without good reason, these are automatically reduced. As a concession the EEC agreed earlier this month to maintain the quotas of four exporters whose deliveries had lagged in the past year.

Thailand aims to boost kenaf output

BANGKOK, April 28.

THAILAND'S KENAF Promotion Committee has fixed a support price of Baht4.50 a kilo for kenaf in an effort to avert shortages of the commodity.

In the past ten years Thai farmers have switched from Kenaf to more remunerative crops such as tapioca. Output was 180,000 tonnes in the 1976-1977 season, compared with 662,400 tonnes in 1966-67.

Reuter

Bacon to cost more next week

By Our Commodities Staff

BACON WILL be dearer in the shops next week following rises in first-hand prices announced yesterday. Danish importers and British curers raised prices £25 a tonne. Irish and Ulster prices were increased £35 a tonne. The Danish rise is the first since last October.

The £25 a tonne rises, which take Danish bacon to £940 a tonne and British to £915 a tonne, would represent 1.25p a pound if averaged over a whole side. But the increase is more likely to be concentrated on rashers, which could rise by several pence a pound.

Britain's pig farmers should welcome the increase, however. FMC, the U.K.'s biggest curer, will be paying an extra 1.4p a kilo to its contracted producers as a result of the higher wholesale price. The A1 price goes up to 67.2p a kilo.

Large eggs will also be more expensive from next week. The Goldenlay egg marketing consortium announced yesterday that the price would be raised 2p a dozen in an attempt to redress an imbalance in the market resulting from the narrow price differential between large and medium grade eggs.

Better news for housewives was issued by Sainsbury's. The supermarket chain is reducing the price of its cheapest butter 5p a pound from to-morrow rather than waiting for next week when the new EEC subsidy becomes effective.

Farm prices rebuff for Carter

WASHINGTON, April 28.

THE HOUSE of Representatives' Agricultural Committee has approved higher wheat and maize price support levels than the Carter Administration wants, reports AP-Dow Jones.

In a 25 to 20 vote the committee approved wheat price supports of $2.65 a bushel this year and $3 a bushel in the 1978 crop year. The maize price support levels were set at $1.85 for this year and $2.10 for next.

Last week the Carter Administration insisted that wheat price supports should not exceed $2.47 a bushel this year and $2.90 a bushel next year. It said the maximum level for maize supports should be $1.70-$2 a bushel.

EEC FARM PRICES

Disappointing deal for some

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

HAD IT not been for the two transitional steps, which will boost British farm prices, the farm price package agreed in Luxembourg this week would have meant a rise of about 6 per cent. But with these other additions the total increase in British farm support prices will average about 13 per cent.

There are still some omissions. The milk price is, until the ending of transition in December, in the gift of the British Government. On a non-EEC product, potato guarantees are still to be announced.

It is probable that there will be an increase of about 5p a gallon in the milk price to farmers. It would be logical to assume that until the end of the year to March, 1978, the Government will continue to control the price through the operation of the Milk Marketing Board.

Surplus

After this there is some doubt. The Commission in Brussels has always taken the view that the MMB is a producer monopoly, and that at the end of transition a free market in milk must be established. The guarantee would then be applied by means of intervention buying for butter and cheese, and the guaranteed price a gallon which farmers have known for more than 40 years would no longer exist.

There is some indication that the Commission is changing its mind. Mr. Silkin has received a letter from Mr. Gundelach which could be interpreted as showing that the Commission recognises the special position of the Board in maintaining the U.K. liquid market, and so avoiding landing even more surplus milk on to the butter and skim milk mountains.

Whether this slight change of attitude will come to anything is still uncertain. Until now it has stuck to the letter of the Treaty of Rome with great tenacity. It would be interesting to know if the change of heart came from Mr. Silkin's attitude or from the long years of propaganda conducted by the Board and its friends.

The grain support prices are up by more than 23 per cent. in total. But Britain is a deficit grain area and the market price this year has been governed by the threshold prices of imports which, because of the drought and poor harvests, have been up by nearly 2m. tonnes. By January next grain prices will be up about 10 per cent.

This will undoubtedly raise compound feed costs by a similar amount in addition to further increases in the pipeline due to the shortage of proteins, although these may eventually ease. Grain intervention prices are about 15 per cent. below the threshold levels. But, unless there is a decline in demand for grain, prices are unlikely to fall to the lower levels which would make intervention buying likely.

Such a fall could come about by reason of a combination of a good harvest here—say 3m. tonnes more than last year—a reduction in cereal use by compounders through substitution by other materials, and a collapse in pig farmers' confidence.

Such a fall in feed grain prices has been made even more likely through the abandoning of the special high level of support for breadmaking wheat. This is almost certain to drive U.K. farmers in the future to the higher yielding feed wheats.

The scope for substitution can best be assessed by the experience in Holland, where cereal use in animal feed has fallen by half in the last few years. If this was applied to the U.K. in the same proportion it could mean a reduction of 5m. tonnes in cereal use.

Argument

Such a collapse in grain prices might be the only way to save the pig industry from its present depression. The argument about the high level of MCA subsidies and the British special pig subsidy is to be continued at the next Ministers' meeting. At present the British and Danish industries are kept going by the special pig subsidy on the one hand and the MCA's on the other. If both were removed simultaneously the respective industries would contract until prices were raised through scarcity to profitable levels.

The high cost of cereals is also affecting beef. There are obvious signs that the beef breeding—as distinct from the dairy herd is contracting as farmers realise that pure bred beef is not on at present feed costs.

By the same token, while prices for cattle which will fatten out on grass this summer are very high, prices for those which will have to be carried through next winter are much lower.

The NFU has expressed disappointment in the package in general. It is undoubtedly reflecting the views of many farmers. The pity is that the union does not yet seem to appreciate that the real causes of the present discontent are consumer resistance to high-priced food and the inordinately high cost of cereal feed.

Dutch farmers dissatisfied

THE HAGUE, April 28.

DUTCH FARMERS consider the agreed rises in EEC farm prices too low and are not satisfied with the Dutch Agriculture Minister's suggestions to make up farmers' income, the Agriculture Board said.

Mr. Alphons Van Der Stee, the Agriculture Minister, suggested at a meeting with the Board possible measures to improve the competitiveness of Dutch farming and social policies aimed at raising farmers' income. But the Board wants fiscal changes to improve prices.

The Minister is ready to continue talks with the Board. The Board said it wanted the difference between the price rises of 7.4 per cent. originally sought by Dutch farmers and the actual rise agreed in Brussels, which it put at an average of 4.4 per cent. to be made up.

The Royal Dutch Dairy Federation said the 3.5 per cent. increase in the EEC milk price from May 1 is too low and described the 1.5 per cent. co-responsibility levy on milk as "unjustified."

Reuter

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Easier on the London Metal Exchange, responding primarily to the influence of New York, but trading was quiet. Following the lower Comex close overnight London opened at £824 and fell during the morning to £817 with some stop-loss selling beneath £820. A weak Comex opening in the afternoon caused a further decline to £811 in inter-office dealings, but there was some recovery in the rings. There was some German support for the market under £820. The close on the Kerb was £816.5. Turnover: 16,225 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £798.5, three months £824, 23, 22, 20, 21, 20.5, 20. Cathodes: Cash £790, 89, 88, three months £811, 10, 09. Kerb: Three months £819, 18, 17, 17.5. Cathodes: Three months £810. Afternoon: Wirebars, cash £795.5, three months £815, 18, 15.5, 16, 17, 16, 17, 16.5, 17. Cathodes: Three months £809. Kerb: Three months £818, 19, 16, 18.5, 18, 17, 17.5, 18, 17.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	798.5-9	—7	795-.5	—12.2
3 months	820-.5	—7.25	816.0-7	—12.7
Settlem'nt	799	—7	—	......
Cathodes				
Cash	787.5-8	—8.5	787-8	—11.5
3 months	809.10	—8.25	808 9	—12
Settlem'nt	788	—9.5	—	......
U.S. Smt.	—	......	*74	......

TIN—Featureless with the turnover figure boosted by the amount of carries. The market was overshadowed by other metals. The East was steady overnight and in London forward metal traded between £5,730 and £5,780 premarket, before falling to a low for the day of £5,720 in the afternoon. Thereafter the price moved higher, touching £5,745 before closing on the Kerb at £5,730. Turnover: 1,595 tonnes.

Morning: Standard cash £5,635, three months £5,750, 40, 30, 35, 40, 45, 50, 45. Kerb: Three months £5,730. Afternoon: Standard three months £5,720, 30, 35, 40. Kerb: Three months £5,745, 35, 30.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	5665 40	—58	5645-65	+32.5
3 months	5740 50	—57.5	5740-5	+17.5
Settlem'nt	5640	—58	—	......
Standard				
Cash	5636 40	—58	5645-55	+32.5
3 months	5740-50	—57.5	5740 60	+17.5
Settlem'nt	5640	—58	—	......
Straits E.	†1451	+1	—	......
New York	—		—	......

LEAD—Lost ground, guided by copper, but steadied in the afternoon under the influence of the wage contract difficulties at Cominco in Canada. Forward metal slipped from an opening in the rings of £391 to a low for the day of £386 before climbing to £392.5 on short covering. Some selling developed in late trading and the close on the Kerb was £390. Turnover: 8,900 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	380-.5	—5	389 90	—1
3 months	388-.0	—4.25	389.90	—2
S'ment	386.3	—5	—	......
N.Y. Spot	..	......	*31	......

Morning: Cash £386, three months £391, 90, 89.5, 89, 89, 89, 88.5, 89. Kerb: Three months £389, 88.5. Afternoon: Cash £380, 89.5, three months £388, 87.5, 88, 89, 90, 88.5. Kerbs: Three months £390, 91, 92, 93, 92, 91, 90.5.

ZINC—Lower in subdued trading. Forward metal opened in the rings at £393 and slipped to £386 before recovering in the afternoon to £391 and a close on the Kerb of £390. Turnover: 5,475 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	378.5 8.5	—6.5	380.5-1.3	—3.5
3 months	389 .0	—7.25	381-2	—6.25
S'ment	379.5	—6.5	—	......
Prm. West	—	......	*37	......

Morning: Three months £393, 92, 89, 89.5, 89. Kerb: Three months £390, 89, 89.5. Afternoon: Three months £389, 90, 89, 90.5. Kerbs: Three months £393, 91, 90.5, 90.

* Cents per pound. † On previous unofficial close. ‡ $M per picul.

SILVER

Silver was fixed 3.05p an ounce lower for spot delivery in the London bullion market yesterday, at 274.8p. U.S. cent equivalents of the fixing levels were: Spot 472.6c, down 3.1c; three-month 478.8c, down 4.9c; six-month 485.6c, down 5.6c; and 12-month 500.1c, down 6.7c. The metal opened at 274.5-275.5p (472½-474½c) and closed at 274-275p (471-473c).

SILVER per troy oz.	Bullion fixing prices	+ or —	L.M.E. close	+ or —
Spot	274.8p	—3.05	275.5p	—2.3
3 months	280.7p	—3.5	281.4p	—2.65
6 months	287.0p	—3.9		......
7 months	—	......	290.5p	—2.0
12 months	303p	—4.7	—	......

LME—Turnover 275 (172) lots of 10,000 ounces. Morning: Three months 280.5, 80.7, 80.8, 80.6, 80.5, 80.4, 80.3, 80.5. Kerbs: Three months 280.7, 80.4, 80.3. Afternoon: Three months 280.2, 80.1, 80.2, 80.0, 79.5, 81.5, 81.7, 81.5, 81.3, 81.0, 81.2, 81.0. Kerbs: Three months 281.2, 1.0, 80.8, 80.6, 80.7, 80.5.

COCOA

Values fluctuated over a wide range, finishing slightly lower. Physicals were neglected, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No 6 Con'rt			
May	2589.0-95.0	+15.00	2450 0 2545
July	2275.0 78.0	+70.75	2315.0 2215
September	2150 5 71.0	—28.25	2225.0-2150
December	2088.0-75.0	—5.75	2110.0-2050
March	2026.0-29.0	—12.75	2055.0-2000
May	1978.0-84.0	—8.50	1980.5
July	1954.5-55.0	—10.25	1949.0-1952

Sales: 8,121 (6,300) lots of 10 tonnes.

International Cocoa Agreement (U.S. cents per pound): Daily price April 27: 161.82 (155.62). Indicator prices April 28: 15-day average 162.42 (162.51); 22-day average 162.54 (163.40).

COFFEE

In a day of large fluctuations London futures finished only marginally unchanged from the previous close, reports Drexel Burnham Lambert. Trading was mixed and local jobber operations contributed to a reasonable share of the volume as the market ebbed and flowed in its attempt to settle at an equitable level.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	3570 580	+32.5	3580-420
July	3650 655	+27.5	3670 520
September	3676 680	+06.0	3700 560
November	3680 685	+13.0	3705 560
January	3681-685	—02.0	3690-575
March	3666 680	—17.5	3691-610
May	3690-700	......	3710-575

Sales: 5,403 (6,164) lots of 5 tonnes.

ICO Indicator prices for April 27 (U.S. cents a pound): Colombian Mild Arabicas 310.00 (317.00); unwashed Arabicas 389.00 (same); other mild Arabicas 300.00 (310.00); Robustas 307.75 (312.00). Daily average 303.88 (311.00).

RUBBER

FULLY STEADY opening on the London physical market. Good covering orders throughout the day. Closing on a slightly easier note. Lewis and Peat reported a Malaysian godown price of 193 (192) cents a kilo (buyer, May).

No. 1 R.S.S.	Yesterday's close	Previous close	Business Done
June	52.50-53.75	51.75-52.75	53.25
July	53.50-54.50	53.00-53.75	—
Jly-Sep.	55.10-55.25	54.25-54.35	55.50
Oct-Dec	57.80-57.85	57.00-57.05	58.55-57.15
Jan-M'r	59.80-59.85	59.10-59.15	60.50-59.10
Apr-Jne	61.70-61.80	61.00-61.10	62.10-61.00
Jly-Sep.	63.85-63.90	63.00-63.10	64.50-63.90
Oct-Dec	65.80-66.00	65.00-65.15	65.90
Jan-Mar	68.05-68.15	67.50-67.60	68.10

Sales: 305 (177) lots of 15 tonnes, one lot of five tonnes.

Physical closing prices (buyers) were: Spot 52p (51.0); June 50.8p (50.25); July 51.65p (51.25).

SOYABEAN MEAL

The market opened limit down on the near positions although the distants were slightly steadier, reports SNW Commodities. Prices then moved down on stop-loss selling but recovered to touch the highs of the day before the lunchtime close. In the afternoon Chicago quickly collapsed and then recovered. London moved in line with Chicago to rally strongly before the close.

	Yesterday Close	+ or —	Business Done
	£ per tonne		
June	186.00-90.0	—8.00	186.00-82.00
August	193.00 94.0	—8.50	195 00 87.00
October	165 0 65.8	—7.80	167 00 64 00
December	145 50-46.0	—0.70	144 00 42.00
February	146.00 47.5	+1.00	146.80-45.10
April	146.80 49.0	—0.50	144.80
June	146.00-49.8	—1.50	—

Sales: 257 (277) lots of 100 tonnes.

GRAINS

THE BALTIC—Business remained quiet in all sections of the imported grain market and the basic price structure showed little alteration.

Wheat: Canadian Western Red Spring No. 1 13½ per cent. May-June £87.25 Tilbury; U.S. Dark Northern Spring No. 2 14 per cent. May £82.90, June £83.05, July £83.65, Aug. £84.25 transhipment East Coast; Argentine Milling May £74.55 transhipment East Coast; EEC Feed May £92.25, June £93.25 East Coast.

Maize: No. 3 Yellow American/French April £85.35, May £86 East Coast.

Barley: EEC Feed/Canadian May £86, first half June £86.50, second half June £87, July £88 East Coast.

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, steady. Close: May 90.60, Sept. 91.40, Nov. 94.10, Jan. 96.95, March 99.75. Business: May 91.00-90.75, Sept. 91.40-91.50, Nov. 94.15-93.75, Jan. 97.00-96.70, March 99.80-99.45. Sales: 242 lots.

Barley, steady. Close: May 84.40, Sept. 85.45, Nov. 88.10, Jan. 91.00, March 93.75. Business: May 84.25, Sept. 85.50-85.30, Nov. 88.30-88.00, Jan. 91.00-90.75, March 93.75-93.60. Sales: 161 lots.

HGCA—Location ex-farm spot prices. Other milling wheat: N. Lincolnshire £92.25. Feed wheat: N. Lincolnshire £91.10. Feed barley: Hants. and W. Sussex £85.70, N. Lincolnshire £84.00.

The U.K. monetary coefficient for the week from May 2 is expected to be unchanged.

MARK LANE — Brokers reported generally quiet trading and values tended easier. Isolated sales mentioned included June parcels of milling wheat to London at £95.50 a tonne. Average sellers quotations a tonne for delivery London area—May £94.50 denaturable, May £94 and barley East Anglia May-June £88.50.

EEC IMPORT LEVIES—Effective to-day. In units of account a tonne. In order current levy plus May, June and July premiums (previous in brackets): Common wheat—89.00, nil, nil, 0.74 (89.12, nil, nil, 0.74); Durum wheat—141.53, nil, nil, nil (140.79, nil, nil, nil); Rye—72.19, nil, nil, nil (71.45, nil, nil, 0.37); Barley—53.59, nil, nil, nil (same); Oats—51.67, nil, nil, 1.11 (same); Maize (other than hybrid for seeding)—61.83, nil, nil, nil (same); Buckwheat—All nil; Millet—70.23, nil, nil, nil (69.49, nil, nil, nil); Grain Sorghum—71.35, nil, nil, nil (same).

Also for flours: Wheat or mixed wheat and rye—137.33 (135.25); Rye—112.63 (111.89).

SUGAR

LONDON DAILY PRICE (raw sugar) £139.00 (£145.00) a tonne cif for April-May shipment. White sugar daily price was fixed at £139.50 (£142.50).

The market again attempted to rally during the morning but fell back in the afternoon under the influence of long liquidation in New York, reports C. Czarnikow. May London expired at £139.00, the level of the LDP. The other nearby accounts closed about 300 points below opening levels. The distant accounts were relatively unchanged.

Sugar Pref. Comm Conn.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
May	—	142.00 40.00	144 00 39.00
Aug	138 85 39 00	144.00 44.00	146 [illegible] 38.70
Oct	140 0 40 75	45.40 45.50	148 0-40 00
Dec	142 70 42 75	46.4 46.7	147 70 42.10
March	[illegible] 46 00	48.95 [illegible]	150.25 44.50
May	147.00 48 00	150 00-50.70	[illegible]
Aug	[illegible]	152.75-53.25	152 25-0.25

Sales: 4,007 (6,115) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £226.00 (same) a tonne for home trade and £207 (£213) for export.

EEC IMPORT LEVIES—Effective to-day for denatured and non-denatured sugar in units of account per 100 kilos (previous in brackets): White 20.10 (19.63); Raw 15.57 (14.81).

WOOL FUTURES

(pence per kilo)

Australian Greasy Wool	Yesterday's Close	+ or —	Business Done
May	225.0-27.0	—0.50	225.0
July	228.0-30.0	—1.00	228.0
October	230.0-45.0	—0.50	238.0
December	244.0-47.0	—0.50	245.0
March	248.0-51.0	—1.00	248.0
May	250.0-55.0	—0.50	251.0
July	[illegible]	......	—
October	[illegible]	—5.00	—

Sales: 140 (25) lots of 1,500 kilos.

MEAT/VEGETABLES

SMITHFIELD (pence a pound)—Beef: Scottish killed sides 43.0 to 45.0; Ulster hindquarters 51.0 to 54.0, forequarters 29.0 to 32.0; Eire hindquarters 53.0 to 54.0, forequarters 28.0 to 30.0.

Veal: Dutch hinds and ends 78.0 to 80.0.

Lamb: English small new season 60.0 to 64.0, medium new season 57.0 to 61.0, heavy new season 54.0 to 58.0. Imported frozen: NZ PL 41.9 to 43.0, PM 39.5 to 41.5, YLs 40.0 to 41.5.

Pork: English, less than 100 lbs 30.0 to 37.0, 100-120 lbs 29.0 to 30.0, 120-160 lbs 29.0 to 35.0.

MEAT COMMISSION—Average fatstock prices at representative markets on April 28. GB—Cattle 58.52p a kg. l.w. (+1.77); U.K.—Sheep 145.7p a kg. est. d.c.w. (−2.7); GB—Pigs 53.1p a kg. l.w. (+1.8). England and Wales—Cattle down 20.9 per cent., average price 58.8p (+2.00); Sheep down 18.4 per cent., average price 146.8p (−1.8); Pigs up 4.8 per cent., average price 53.1p (+1.8). Scotland—Cattle down 34.1 per cent., average price 56.76p (+0.29); Sheep down 29.7 per cent., average price 143.5p (−7.2); Pigs no change, average price 53.7p (−0.1).

COVENT GARDEN (prices in sterling) Imported produce: Oranges—Jaffa: Shamouti/Lates 3.40-4.20; Cyprus: Ovals/Lates 15 kilos 3.30-3.70, 20 kilos 3.50-4.50; Moroccan: V/Lates 2.90-3.20; Egyptian: 2.80. Grapefruit—Jaffa: 2.85-3.45; Cyprus: 3.00-3.60, 4-boxes 2.40-2.50. Lemons—Italian: 0.50-6.00; Spanish: 5.50; Californian: 6.20. Apples—S. African: Boxes approx. 40-lb Dunn's Seedling 6.40-6.60, Golden Delicious 6.75, Starking 6.10-6.50, Granny Smiths 6.40, White Winter Pearmain 5.60-6.30; New Zealand: approx. 40-lb Cox's Orange Pippin 216 8.40, 198 8.60, 163/175 8.80; Chilean: Boxes Granny Smiths 5.80; Italian: Per pound Starking 0.11-0.12, Golden Delicious 0.11, Rome Beauty 0.12, Jonathan 40-lb 4.20; French: 20-lb Golden Delicious 2.30-2.60, Jumble Pack approx. 31-lb 55/60 3.20-3.40, 60/70 3.30-4.00. Pears—Italian: Passacrassane 14-lb 1.40; S. African: cartons Beurre Bardy 4.20-4.70, Beurre Bosc 4.30-4.50, Packham's Triumph cartons 5.30-5.70, Winter Nelis cartons 4.20-4.40. Grapes—S. African: Boxes New Cross 5.30, Barlinka 4.00. Melons—Colombian: 5.00; Chilean: All sizes cases 6.50. Tomatoes—Canary: 2.50-3.00; Jersey: 3.30-3.80; Guernsey: 3.30-3.80; Dutch: 3.50-3.70. Onions—Australian: 44-lb approx. 5.00-5.30; Chilean: cases 5.00-5.30; New Zealand: 20-kilos 5.20, 25-kilos 5.00. Carrots—American: prepacked bags 48 6.25. Cucumbers—Dutch: 1.50. Courgettes — Cyprus: 2.40. Aubergines—Canary: 3.00; Kenya: 3.50. Chicory—Belgian: 5 lbs 3.00-3.30. Chillies—Kenya: 8 lbs 2.80. Capsicums—Per pound Canary: 0.25; Ethiopian/Kenya: 0.25. Celery—Spanish: 6.00-6.50; American: 48 10.00, prepacked 24 6.50. Potatoes—Canary: 25-kg Single Cross 2.60, Double Cross 5.00-6.10; Spanish: Mainland 55-lb Desiree 3.70-3.80; New crop: Valencia: 25 kilos 5.40-5.50; Malaga: 5.00-5.20; Cyprus: 4.50-4.70; Egyptian: Spring crop 5.20; Jersey: per pound 0.20-0.22. Cauliflowers—French: 5.00. Cabbage—Dutch: White 6.80. Ochra—Kenya: approx. 4-lb 1.50-1.60. Pineapples—Kenya: S 1.30 each; S. African: 8/10 4.20-4.80. Strawberries—American: 0.90; Spanish: 0.35-0.50; Italian: 0.37. Avocados—S. African: 1.80-2.50. Bread beans—Spanish: per pound 0.20.

English produce: Apples—Per pound Bramley's Seedling 0.10-0.13. Potatoes—Per bag 3.80-4.50. Carrots—Per net 12½-kg 4.00-4.50. Lettuce—Per 12, round 0.80-0.90. Spring greens—Per net 4.00. Cauliflowers—Per 12 1.50-2.40. Parsnips—Per 28-lb 1.80-2.20. Mushrooms—Per pound 0.25-0.35. Rhubarb—Per pound natural 0.07-0.08. Cucumbers—Per box 10 to 20 1.30-1.60. Tomatoes—Per pound English 0.25-0.33

JUTE

DUNDEE—Quiet. Prices c and f U.K. for May-June shipment: BWC £239, BWD £230. Tossa: BTB £252, BTC £241, BTD £233. Calcutta goods steady. Quotations c and f U.K. for April-May shipment: 10-oz 40 inch £8.41, 7½-oz £6.40 per 100 yards; June £8.43 and £6.44. "B" twills £25.23, £25.43 and £25.75 for the respective shipment periods. Yarns and cloths quiet but firm.

LONDON—Steady. Bangladesh White "C" grade April-May $414. Bangladesh White "D" grade April-May $397 a long ton.

CALCUTTA—Steady. Indian Rs.540.00. Dundee Tossa Four Rs.540.00 values a bale of 400 lbs.

COTTON

COTTON, Liverpool—Spot and shipment sales amounted to 24 tonnes, bringing the total for the week so far to 310 tonnes, reports F. W. Tattersall. Only very limited dealings were reported as users were unwilling to operate in a falling market. Many mills had already covered their immediate requirements, mostly in Turkish and Middle Eastern qualities.

*

GRIMSBY FISH—Supply moderate and demand good. (Prices at ship's side [illegible] stone unprocessed): Shelf cod £4.00-£5.00, codlings £4.00-£4.40, large haddock £4.00, medium haddock £3.40-£3.70, small haddock £2.20-£2.60, large plaice £3.00, medium plaice £3.00-£3.60, best small plaice £3.30, skinned dogfish (medium) £3.20 (large) £5.00, lemon soles £6.50-£7.00, rockfish £2.00-£2.50, reds £1.10, Saithe £1.80-£2.00.

PRICE CHANGES

Prices per tonne unless otherwise stated.

	April 28 1977	+ or —	Month ago
Metals			
Aluminium (x)	£650	......	£650
Free Market (cif)	$1030-40	......	$1,060-70
Copper			
Cash Wire Bars (x)	£798.25	—12.25	£866.5
3 months do. do.	£818.75	—12.75	£892.5
Cash Cathode (x)	£787.5	—11.5	[illegible]
3 months do. do. (x)	£808.5	—12.0	£883
Gold......Troy oz.	$148.125	—1.5	$147.875
Lead Cash (x)	£389.3	—1.0	£366
3 months (x)	£389.0	—2.0	£376
Nickel (x)	£3,181	......	£3,181
FreeMarket(cif)(lb)	$2.07-.19	......	$1.70-2.2
Platinum(b)troy oz.	£97	......	£97
Free Market	£81.3	—1.15	£94.45
Quicksilver(76lb)(x)	$100 140	—3.2	$159-170
Silver Troy oz.	274 8p	—3.05	280.7p
6 months	280.7p	—3.5	287p
Tin Cash (x) §	£5,659	+32.5	£6,426
3 months (x)	£5,742.5	+17.5	£6,570
Wolfram 22.04lb.cif	$178 184	......	$178-183
Zinc Cash (x) §	£381	—5.5	£383.5
3 months (x)	£391.5	—6.25	£398.25
Producers (u)	£795	......	$760
Oils			
Coconut Malayan	‡		‡
Groundnut	£617		£585
Linseed Crude(x)(z)	£470*		£401
Palm Malayan(x)	$642A	—20.0	$630
Soyabean (x)	‡		‡
Seeds			
Copra Philip (x)	$550†	—10.0	$542.5
Gr'nuts Nigerian			‡
Linseed Can.No. 1	£216.5w	—4.5	£191.75
Grains			
Barley EEC	£86†		£85.5
Home Futures	£84.4	—0.2	£84.2
Maize			
French No. 6 Am	£85.35		£84.5
S.A. Yellow	‡		‡
Wheat			
No. 1 Red Spring	£87.25s		‡
No.2 HardWinter	‡		‡
Australian(f.a.q.)	‡		‡
English Milling (x)	£95.5	+0.5	£91
Cocoa Shipment (x)	£2,408	—28.0	£2,370
Futures July	£2,275.5	—25.25	£2,294
Coffee Futures			
July (x)	£3,652.5	+27.5	£3,850
Cotton 'A' Index cent	83.25	—0.8	87.25
Jute UABC (d)	$414		$414
Rubber kilo	52p	+2.0	52.5p
Sisal EASL (x)	£600q		£600
Sugar (Raw) (x)	£150	—6.0	£130-5
Wooltops 64s. kilo	230p		257p
Cloves (Madagascar)	‡		£5,000
Pepper White...ton	£2,825q		£2,900
Black...ton	£2,500q		£2,600

* Nominal. † Seller. ‡ Unquoted. § Unofficial close. ϕ Indicative price. a Seller's quotation. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." g Ex-tank London/Hull. h June-July. i May. k April-June. l May-July. n April-May. s May-June. t June. w July-August.

FINANCIAL TIMES

April 28	April 27	Month ago	Year ago
271.27	270.78	276.45	208.50

(Base: July 1, 1952=100)

REUTER'S

April 28	April 27	Month ago	Year ago
1719.1	1729.8	1731.2	1410.5

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	April 28	April 27	Month ago	Year ago
Spot	425.15	423.56	426.45	327.49
Futures	407.10	402.13	412.70	310.29

(Average 1924-25-26=100)

MOODY'S

Moody's	April 28	April 27	Month ago	Year ago
Sple Comm'ty	938.3	933.8	943.0	808.1

(December 31, 1931=100)

*

COPRA, Philippines—(a tonne): May and June $525 cif North European ports.

U.S. Markets

Soyabeans hectic and lower

NEW YORK, April 28.

SOYABEANS closed lower in erratic and hectic trading. Copper was weak on commission house stoploss selling. After being limit down on London easiness coffee rallied to close strong on commission house buying. Cocoa closed firm on commission house stoploss buying. Sugar finished slightly higher on short covering, Bache comments.

Cocoa—Ghana spot 193 nom. (189 nom.). Bahia not available. May 171.05 (171.00), July 166.00 (161.75), Sept. 161.60, Dec. 152.30, March 148.25, May 144.50, July 138.50, Sept. 134.60 nom. Sales: 1,431 lots.

Coffee—"C" Contract: May 307.01-309.00 (298.50), July 308.00-307.75 (305.47), Sept. 309.00-310.01, Dec. 304.00-305.00, March 299.00-301.00, May 293.00-298.00. Sales: 1,323 lots.

Copper—May 62.50 (63.20), June 63.30 (63.70), July 63.30, Sept. 64.30, Dec. 65.70, Jan. 66.10, March 66.90, May 67.70. Sales: 5,923 lots.

Cotton—No. 2: May 74.15-74.25 (74.00), July 74.65-74.75 (74.50), Oct. 71.50-71.60, Dec. 67.95-68.00, March 68.55-68.70, May 69.00-69.70, July 69.30 bid, Oct. 68.70 bid. Sales: 4,650 lots.

ϕGold—May 145.90 (146.50), June 146.20 (146.90), July 146.90, Aug. 147.50, Oct. 149.00, Dec. 150.60, Feb. 152.20, April 153.90, June 155.60, Aug. 157.30. Sales: 3,921 lots.

†Lard—Chicago loose not available (25.00 nom.). New York prime steam 26.50 asked (same).

††Maize—May 247½-247 (246), July 251¼-251½ (249¾), Sept. 255-254½, Dec. 258¾-256¼, March 266½-267, May 270¾.

‡Platinum—July 157.90 (160.70), Oct. 161.90 (161.50), Jan. 163.80, April 166.30, July 170.00. Sales: 576 lots.

‡‡Silver—May 469.40 (470.40), June 471.90 (473.10), July 474.50, Sept. 479.60, Dec. 487.30, Jan. 489.80, March 495.10, May 500.30, July 505.50, Sept. 510.70. Sales:

Soyabeans—May 938-942 (971), July 941-935 (955), Aug. 910-915, Sept. 767-768, Nov. 703-701, Jan. 705-706, March 709, May 710, July 710.

bSoyabean Meal—May 267.50-267.00 (274.00), July 271.00-272.50 (273.20), Aug. 268.00, Sept. 222.00, Oct. 193.50-194.50, Dec. 185.00-189.50, Jan. 185.00, March 190.00, May 193.00, July 193.00-194.50.

Soyabean Oil—May 28.60 (28.57), July 29.00-29.10 (28.90), Aug. 29.05-29.15, Sept. 28.40-28.25, Oct. 26.70, Dec. 26.10-26.00, Jan. 25.85, March 25.70, May 25.60, July 25.50.

Sugar—No. 11: Spot 9.60 (9.90), May 9.75-9.80 (9.78), July 9.95-9.93 (9.94), Sept. 9.98-9.99, Oct. 10.00-0.07, Jan. 9.95-10.05, March 10.05-10.09, May 10.06-10.04, July 10.07-10.05, Sept. 10.02-10.00. Sales: 7,778 lots.

Tin—446.00-453.00 asked (447.00-456.00 asked).

**Wheat—May 258-258¼ (255), July 266½-267 (263¼), Sept. 274¼, Dec. 284¼, March 293¼, May 298-299¼.

WINNIPEG, April 28. ††Rye—May 98.70 bid (96.00 bid), July 100.80 asked (100.90), Oct. 103.30 asked, Nov. 104.00 nom., Dec. 101.00 nom.

cOats—May 88.40 (88.80 bid), July 86.50 asked (86.80 asked), Oct. 86.80 asked, Dec. 85.00 nom.

§Barley—May 95.50 bid (95.60), July 95.30 (95.50), Oct. 94.00 asked, Dec. 94.20 nom.

dFlaxseed—May 329.90 bid (326.20), July 328.00 (326.00), Oct. 317.10 asked, Nov. 316.50 asked, Dec. 313.00 bid.

Wheat—SCWRS 13.5 per cent. protein content cif St. Lawrence not available (372½).

All cents per pound ex-warehouse unless otherwise stated. * Cents per 60-lb bushel ex-warehouse. ϕ $'s per troy ounce—100-ounce lots. † Chicago loose $'s per 100 lbs—Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡‡ Cents per troy ounce ex-warehouse. b New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Chicago, Toledo, St. Louis and Alton. ‡ $'s per troy ounce for 50-ounce units of 99.9 per cent. purity delivered NY. ** Cents per 60-lb bushel in store. †† Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. c Cents per 24-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. d Cents per 56-lb bushel, ex-warehouse, 1,000-bushel lots.

STOCK EXCHANGE REPORT

Bank of England curbs enthusiasm about MLR cut

Equity downdrift after firm start—Index up 0.8 at 428.2

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Apr. 12	Apr. 21	Apr. 22	May 3
Apr. 25	May 5	May 6	May 17
May 9	May 19	May 20	May 31

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Still on North Sea oil and interest rate hopes, stock markets started firmly yesterday, but were looking increasingly uncertain as the day progressed. Long-dated Gilt-edged made the best showing at the end in closing at, or near, the day's best with gains to ½; the Government Securities index put on 0.32 more to 69.09 which is 1.87 off the 4-year high recorded at the end of last month. Apart from a couple of low-coupon issues, short-dated stocks closed with rises limited to ⅛, after ¼, following a relatively active trade, quotations coming off the best following the Bank of England's signal for only a "marginal" fall in Minimum Lending Rate to-day.

Money market indications were that MLR, if allowed to follow the market-related formula, could come down by as much as ¾ per cent. to 8 per cent. but expectations were naturally cooled by the Bank's move. Continued strength in leading equities from the opening took the FT 30-share Index, at 10 a.m., to within half a point of its 1977 high of 433.8, but subsequent lack of demand saw a progressive decline for a close of only 0.8 up on balance at 428.2. Trade in the leaders showed a slight increase on Wednesday's level and official markings of 8,004 compared with the previous day's 5,729 and last week's daily average of 5,445.

Second-line equities provided the bulk of the day's main features; the firm overall tone was seen in a 4-to-1 majority of rises over falls in FT-quoted issues. In the FT-Actuaries Industrial group index moving into fresh high ground for 1977 and in the 500 share index extending its 1977 high by 0.6 per cent. to 196.73. The All-share index also hardened 0.6 per cent. and, at 180.17, is close to matching its March 17 high for the year of 181.09.

Gilts up again

Still dominated by the trend towards lower interest rates, Gilt-edged continued to improve. Medium and longer issues came more into their own following demand for the tap, Exchequer 9¾ per cent., 1982, which went above its partly-paid issue price of £15 to close ⅛ higher at 15⅛ after the Government broker had withdrawn his selling price of 15¼ for supplies of the stock. Other securities in this and the longer area moved up ½, but the shorts slipped back from the best after the Bank of England signal that it was looking for only a marginal fall in Minimum Lending Rate today. This prompted nervous selling from holders who had earlier been talking optimistically of a cut of ¾ to 8 per cent. in the rate. Finally many gains among the shorts were pared from ⅜ to ⅛, but low-coupon stocks benefited from switching out of high-coupon issues and closed with above-average rises. Corporations kept pace with the main funds and recorded improvements extending to ½.

A drifting tendency in the investment currency market was more a reflection of lack of trade than any other factor and the premium reacted from 123¾ per cent. to close nearly two points down on balance at 121⅞ per cent. Yesterday's SE conversion factor was 0.6795 (0.6760).

Banks friendless

The big four Banks continued to lag well behind the rest of the market yesterday as further small offerings on fears of an erosion in profit margins took National Westminster down 5 more to 215p and brought about a fresh decline of 3 to 207p in Lloyds. Bank of Scotland eased 4 to 226p in sympathy. Discounts softened in places; Gerrard and National lost the turn to 143p following the results. Guinness Peat were notable for a rise of 8 to 178p among Merchant Banks.

Slightly more business was transacted in the Insurance sector where the closing tone was generally firm. Matthews Wrightson, 242p, and Sedgwick Forbes, 286p, gained 8 and 8 respectively among Brokers, while Hogg Robinson closed 7 better at 153p.

Breweries generally made modest headway, apart from Border Breweries (Wrexham), 2 easier at 48p on the preliminary figures. Vaux improved 5 to 285p, while Allied, 88p, and Greenall Whitley, 67p, put on 1½ and 2 respectively. Distillery concerns were also firmer and Distillers ended 2 harder at 141p.

Business increased in Buildings where the trend remained exceedingly firm. George Wimpey, however, closed unaltered at 58p, after 62p, despite the excellent results. UBM encountered speculative support on the back of an investment recommendation and ended a shade better at 51½p, while Marchwiel, 175p, and George Dew, 102, improved 7 and 9, respectively. W. Lawrence were also 8 to the good at 85p. Aberdeen Construction, 84p, HAT Group, 43½p, and Tunnel B at 171p, all gained 4, while comment on the record profits prompted a rise of 6 to 160p, after 162p, in Tarmac.

Chemicals met with a more active session and ICI improved to 358p, before closing 2 better on the day at 355p. Press views on the profits recovery lifted Anchor 3 to 62p, while Hickson and Welch were similarly dearer at 448p. Demand ahead of next Tuesday's results left Laporte Industries 5 to the good at 113p. Fisons, after touching 348p, eased back to finish only 3 higher at 340p, while the dividend and profits forecast accompanying the proposed rights issue left Burrell only a fraction dearer at 13p.

ATV A rose 5 to 83p and HTV improved 3 to 77p among television concerns.

M. & S. disappoint

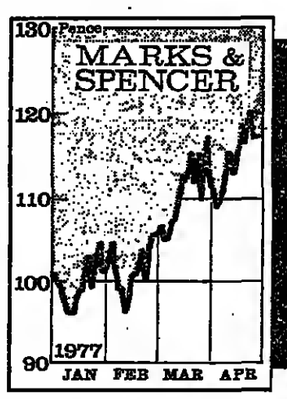
Supported up to 122p in front of the preliminary results, Marks and Spencer turned easier on profits which reached only the lower end of market estimates and closed 3 down on the day at 117p. However, the figures heightened interest in other major Stores, which closed firm. W. H. Smith A rose 4 to 492p, while House of Fraser, at 102p, held the previous day's gain of 4 which followed the annual report. Elsewhere, Forminster attracted a good turnover and touched 115p, before reacting late to close at 110p, down 8 on balance. Comment on the results prompted a fall of 8 to 78p in Home Charm, while profit-taking after the recent strength left Liberty and the non-voting shares both 25 lower at the common level of 725p.

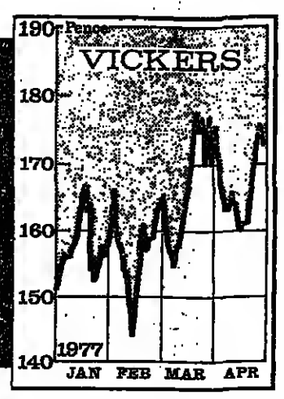
Still reflecting satisfaction with the results, Telephone Rentals rose afresh to close 8 higher at 103p for a two-day gain of 14. Elsewhere in Electricals, Racal were in demand at 331p, up 8, along with Ultra, 14 higher at 236p, and AB Electronic, 2 firmer at 93p. Buying interest revived in Muirhead, which improved 5 to 180p, while Lec Refrigeration also encountered support and gained 3 to 68p. Among the leaders, GEC were a reasonably lively market at 182p, up 2, after 184p. EMI closed similarly higher at 213p, after 215p, but Plessey ended a shade lower at 70p.

Vickers were again popular in the early trading and touched 178p immediately after the preliminary results, which were in line with expectations, before late profit-taking brought a close of 3 easier on balance at 173p. Still anticipating more marketability in the stock after the proposed share sub-division in early-July, buyers pushed Hawker up to the 600p prior to a close of 596p, up a net 2. John Brown rose to 174p on continuing bid hopes before closing 3 harder at 170p and Tubes were 4 better at 404p. GKN, on the other hand, lost 4 to 298p. Haden Carrier stood out with a jump of 18 to 103p, after 105p, as buyers ignored the lower profits and took more notice of the higher dividend payment and encouraging remarks about current year prospects. The dividend forecast that accompanied news of the proposed scrip-issue helped Desoutter Bros. firm 4 to 188p, while the Preference added 8 to 48p. The successful outcome of the rights issue left Spirax-Sarco 10 to the good at 245p, while improvements of between 3 and 5 were recorded in Peter Brotherhood, 80p, Greenbank, 53p, and Acrow "A," 64p. Gordon Johnson Stephens rose 5½ to 32p and Pegler Hattersley 6 to 198p.

Associated Dairies improved 8 to 274p in Foods where gains of 4 were seen in both J. B. Eastwood, 76p, and Rowntree Mackintosh, 234p. Lockwoods edged up 3 to 78p on the increased first-half profits, while the higher earnings took British Vending Industries up a ½ to 12p. Spillers were marginally better at 36½p following Press comment on the preliminary results. Other firm spots included Linfood, up 3 at 243p, and Bernard Matthews, 4 dearer at 117p. Speculative interest was again prevalent in J. Bibby, which moved up 3 to 151p. FMC were unchanged at 80p; in yesterday's issue a fall of 16 should have been recorded in the price following a mark-down in an effort to find a dealing basis after the closing of the 97p cash per share bid from NFU Development Trust. In Supermarkets, William Morrison hardened 2 further to 144p and Lennons improved 3 to 37p, the latter in more active trading.

Centre Hotels (Cranston) featured Hotels and Caterers with a jump of 5 to 54p on the agreed bid from Coral Leisure; CL closed 2 harder at 140p. Trust Houses Forte rose 8½ more to 156p, while gains of 3 were seen in Savoy Hotel "A," 62p, and Grand Metropolitan, 79p. Continuing speculative interest left Mount Charlotte Investments ½ harder at 18½p, but De Vere eased 2 to 154p on sporadic profit-taking.





Reckitt higher

Reckitt and Colman continued to attract buyers following the annual report and rose to 382p before settling at 380p, up 16 on the day. Beecham ended unaltered at 436p, after touching 422p, but Bowater finished a few pence cheaper at 195p. Pilkington Bros. improved 9 more to 328p, with Barr and Stroud rising 25p to 575p in sympathy. Gleves responded afresh to the results, proposed rights issue and dividend forecast with a further gain of 3 to 60p, but Hoover 'A', down 7 at 285p, reflected disappointment with the first-quarter profits. Revived buying left AVP 8 to the good at 80p, while speculative demand lifted Wm. Press 1½ to 54p. Office and Electronic Machines gained 3 to 65p on the increased dividend and profits and Scottish and Universal Investments advanced 5 to 77p following news that Lonrho had increased its stake to 24.8 per cent. in the company. Ega Holdings were noteworthy for a rise of 6 to 47p, while similar improvements were recorded in BTR, 206p, and Letraset, 81p. Brook Street Bureau made fresh progress at 55p, up 8. Still reflecting satisfaction with the preliminary results, Foseco Minsep put on 6 further to 165p.

Motors were selectively better. Peak Investments closed a penny better at 13p on the increased first half profits, while Rolls-Royce, 69p, and Automotive Products, 76p, put on 2 apiece. Interest was also shown in Wilmot-Breedon, 3 better at 73½p, and Zenith Carburetter A, 6 higher at 86p, the latter in a restricted market. Lyon and Lyon continued firmly in Garages, rising 3 to 35p for a two-day gain of 5 since the preliminary figures. Lex Service hardened 2 to 50½p; but small profit-taking left BSG International 1½ cheaper at 25½p.

North Sea oil participants again dominated the Newspaper sector, particularly Thomson which advanced 15 higher to 550p, after 553p, for a rise on the week so far of 58. Daily Mail A improved 5 to 280p, while Associated, despite Fleet Street problems, hardened 2 to 177p, after 180p. Awaiting to-day's statement regarding the Evening News/Evening Standard situation, Beaverbrook A gained 5 to 45p.

Properties rise

Stronger hopes of a further reduction in interest rates stimulated further activity in the Property sector. Fresh useful gains were recorded, but the best levels were not always held, particularly in the leaders, where final gains were only modest. Elsewhere, Allnatt rose 8 to 154p and Haslemere 4 to 193p. Scottish Metropolitan touched 94p and closed 5 dearer at 92p on revived bid hopes. Hammerson "A" continued firmly at 433p, up 8, in front of to-day's preliminary statement. Glanfield Securities moved up 13 to 133p, while fresh support left Lynton up 9 more at 90p. Against the trend, Slough Estates lost 1½ to 86p on the profits warning and Peachey reacted 2 to 48½ following news that a subsidiary of the company is suing Sir Eric Miller for.

Oils enjoyed a useful trade, but after an early improvement, eased back on lack of any sustained support. Encouraged by the chairman's statement at the meeting, British Petroleum rose to 926p before drifting off to close 8 cheaper on balance at 912p. Shell, however, ended with a small improvement of 4, at 532p, after 537p, but Ultramar encountered profit-taking after the previous day's sharp improvement and reacted 4 to 168p. North Sea issues to make headway included Lasmo, which rose 5 further to 317p, and Siebens U.K., up 10 at 100p.

Steel Brothers dominated proceedings in an otherwise quietly firm Overseas Traders section, improving 35 to 325p on the exemption from U.K. dividend controls contained in the announcement with the preliminary figures and statement. Harrisons and Crosfield rose 13 more to 550p, while Booker McConnell, 168p, and Inchcape, 410p, put on 5 and 10, respectively.

English and Caledonian stood out in Trusts, closing 8½ higher at 98p on the agreed bid from European Ferries; the latter declined 4 to 68½p. Remaining issues attracted a slightly improved business and ended firmly. Rothschild rose 9 to 257p, while Capital shares had a couple of firm spots in Triplevest, 5 better at 112p, and Dualvest, 8 to the good at 144p. In Financials, Kakuzi were raised 5 to 100p and J. H. Vavasseur Preference 7 to 47p, both in thin markets. Hampton Trust hardened 1¼ to 12p.

After opening at 279p Common Bros. drifted lower in idle trading to 258p on the interim loss before rallying on renewed speculative interest to close only 2 cheaper on the day at 270p. Other Shippings fluctuated narrowly and closed quietly firm. P. & O. Deferred attracted a better business than of late and closed a shade better 131p, after 134p.

Golds turn easier

Wednesday's rally in Golds came to a halt following yesterday's weakness in the bullion price which was finally $1.50 down at $146.125 per ounce—its lowest since March 14—following rumours of persistent selling of gold from Continental sources.

Initially the sharemarket held steady helped by the firmness of the arbitrage rate but subsequent offerings of stock from the Continent and local sources caused jobbers to lower prices which generally closed at the day's lowest.

Losses in the heavyweights ranged to ½ as in Randfontein and Western Holdings at £20¼ and £11½ respectively, while lower-priced issues gave up as much as 15 in Doornfontein, 435p and President Steyn, 535p, which contributed to a 2.3 reaction in the Gold Mines index to 109.8.

Business in Financials was minimal and prices lacked direction. Among the London-registered issues Rio Tinto-Zinc attracted modest support and closed a penny harder at [illegible] after 240p, in front of the annual report and good first quarter profits from Rio Algom, while the decline in the gold price left Gold Fields 3 cheaper at 154p.

Overseas-based Financials were barely changed. "Amgold" gained ¼ to £13¾ and Transvaal Consolidated Land ¼ to £10¼ owing to modest Cape selling.

Australians tended to harden where changed reflecting the slightly improved trend in overnight domestic markets.

In Uraniums, Peko-Wallsend rose 5 to a 1977 high of 490p, and EZ Industries put on a similar amount to 300p in anticipation of the Fox environmental report which is expected next week. Elsewhere, Charterhall Finance closed 1¼ up on balance at 29p after a 1977 high of 30p.

FINANCIAL TIMES STOCK INDICES

—	Apr. 28	Apr. 27	Apr. 26	Apr. 25	Apr. 22	Apr. 21	A Year ago
Government Secs.	69.09	68.77	68.38	68.01	68.76	68.58	62.14
Fixed Interest	69.38	69.17	69.02	69.08	69.49	69.51	61.60
Industrial Ordinary	428.2	427.4	421.0	419.0	422.3	418.2	412.2
Gold Mines	109.6	111.8	109.0	112.9	113.9	108.6	184.9
Ord. Div. Yield	0.30	5.35	5.42	5.46	5.39	5.43	5.10
Earnings Y'ld % (full) (*)	16.08	16.06	16.30	16.40	16.23	16.38	14.89
P/E Ratio (net) (*†)	9.15	9.16	0.02	8.97	9.06	8.98	9.81
Dealings marked	8,004	5,780	0,005	6,506	6,566	5,268	6,362
Equity turnover £m.	—	67.49	59.99	52.99	79.98	65.35	63.50
Equity bargains total	—	10,161	15,604	17,036	17,859	15,172	14,124

10 a.m. 433.3. 11 a.m. 432.9. Noon 430.8. 1 p.m. 430.1.
2 p.m. 429.7. 3 p.m. 429.0.

Latest Index 01-246 8026.

* Based on 52 per cent. corporation tax. †Nil=9.08.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/10/35. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1977 High	1977 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	70.96 (31/3)	60.45 (4/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	70.75 (1/4)	60.49 (4/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	433.8 (17/3)	357.6 (12/1)	543.6 (16/5/72)	49.4 (26/6/40)
Gold Mines	137.4 (7/3)	85.1 (1/2)	442.3 (22/5/75)	42.5 (26/10/71)

S.E. ACTIVITY

—	Apr. 28	Apr. 27
Daily—		
Gilt-Edged	158.6	155.9
Industrials	219.2	198.5
Speculative	559.2	37.9
Totals	136.7	130.4
5-day Av'ge—		
Gilt-Edged	167.5	159.9
Industrials	217.4	211.7
Speculative	44.19	43.5
Totals	139.8	136.4

Takeover plans for insurance attacked

MR. K. G. WELCH, president of the Association of Insurance Brokers, yesterday renewed his attacks on the Left-wing intentions of the Labour Party to nationalise the insurance companies.

"The voice of extremism is always loud. The Young Socialists, who, after all, are the potential party leaders of the future, made it very clear only a few days ago that nationalisation of banks and insurance is one of their urgent priorities," he said at the annual meeting in London.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1977 High	1977 Low	Stock	Closing Price p	+ or −	Div. P. or Amount	Times covered	Gross Yield	P.E. Ratio
—	F.P.	—	65	61	Hollas New Ord (5p)	54	......	—	—	—	—
‡	F.P.	—	£33⅞	£26⅞	Utd Technologies US$5	£32¾	+⅛	Q$1.20	—	3.5	—
‡	F.P.	—	£13⅝	£12⅝	Xonics Com.	£13	+⅛	Q10c	—	0.5	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid	Latest Renunc. Date	1977 High	1977 Low	Stock	Closing Price	+ or −
£100	F.P.	—	100⅛	100	Agric Mortgage 12¼% 1980	100⅛	+⅛
$100	F.P.	—	[illegible]	$86	All'd Irish Bk. Floating Rate Sub Notes	$88½	......
**	£10	1/7	10¾	10¾	Bristol Waterworks 8¾% Red Pref 1982	10¾	......
$100	F.P.	—	$99½	$98	Comp Air 8¾% Cnv. Bds. 1987	$99½	......
£98.60	£50	—	56	50	Corp. of London 13¼% 1983	56	+¼
£101½	F.P.	27/5	105	104¼	East Anglia Water 9% Pref. 1982	105	+¾
£101½	F.P.	27/5	105	104¼	East Worcs. Water 9% Pref. 1982	105	+¾
$100	P.P.	—	$101	$99½	EMI Finance BV 9¼% Gtd Bds. 1989	$101	......
£99.50	£40	—	46	40½	F.F.I. 14% Ln. 1985	46	+¼
£98.6	£50	23/6	55	50	Fife Regional Council 13¼% Red. Stk. '83-84	55	+¼
††	F.P.	—	103½	97	H.K.C. Floating Rate Cap Notes	103¼	−¼
C$100	F.P.	—	C$100	C$99	Gen Foods New 8¾% Notes 1984	C$99¾	......
£100	£50	—	54¾	50¾	GLC 13¼% Stock 1984	55	+¼
$100	P.P.	—	$103¼	$100	Inchcape Bermuda 8¼ Conv. Unsr. Bond 1992	$103¼	+1
$100	P.P.	—	$100¼	$99¼	Intl. W'stmin'r Bk. Floating Rate Cap Notes '84	$99¼	......
£99	F.P.	29/4	104	[illegible]	Lee Valley Water 9% Red. Prf. '82	104	......
$C100.5	F.P.	—	C$99¼	C$99	Man. Hanover Leas'g Can. 8¾% Gtd. Notes '82	C$99	......
$100	F.P.	—	$99	$96¾	Mid'ld Int. Fin. Secs. B.V. Gtd. Fl't Notes '87	$99	......
[illegible]	£50	27/7	58¼	50¾	Mid Sussex Water 13¼% Deb.	58	+¼
£1	P.P.	20/5	102p	100p	Worth (Bond) 13% Conv Cum. Pref.	102p	......

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Dates †	Latest Renunc. Dates ‡	1977 High	1977 Low	Stock	Closing Prices p	+ or −
SA1	nil	—	—	11pm	5pm	Argo Invs.	8pm	......
28	nil	—	—	10pm	9pm	Collness Group	9pm	......
137	nil	—	—	21pm	14pm	Dalgety	17pm	+5
80	nil	—	—	46pm	38pm	Farnell Electronics	46pm	+1
265	nil	29/4	3/5	34pm	24pm	G K N	34pm	+2
47	nil	—	—	15pm	12½pm	Hepworth Ceramic	14½pm	......
47	nil	—	—	nil	nil	Do. 7½% Conv.	nil	......
42	nil	22/4	3/5	26pm	14pm	Leigh Interests	22pm	+1
42	nil	—	—	9½pm	5½pm	Lex Service Group	8½pm	+1½
100	nil	—	—	36pm	30pm	Marshall's Universal	32pm	−1
50	nil	—	—	24pm	19pm	Lonrho	20pm	......
40	F.P.	23/3	25/3	334	310	Racal Elect.	334	+8
110	F.P.	21/4	25/4	160	136	Sale Tilney	160	+12
150	F.P.	22/4	26/4	245	189	Spirax-Sarco	245	+10
75c	nil	14/5	10/5	[illegible]	[illegible]	Steel and Barnett	nil	......

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1977-78. o Gross. r Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ✣ Offered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. † Rights by way capitalisation. †† Minimum tender price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ◆ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. ≠ With warrants. ✤ After suspension.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1977 high	1977 low
Shell Transport	25p	14	532	+ 4	537	454
Reckitt & Colman	50p	12	380	+16	389	332
BP	£1	11	912	− 8	956	776
ICI	£1	11	353	+ 2	380	325
Marks & Spencer	25p	11	117	− 3	120	96
Ultramar	25p	10	168	− 4	172	124
Unilever	25p	10	466	− 2	486	410
Bibby (J.)	£1	9	151	+ 3	151	90
GEC	25p	8	182	+ 2	204	163
GKN	£1	9	288	− 4	328	227
Rank Org.	25p	0	178	+ 4	200	128
Barclays Bank	£1	8	235	—	285	235
BATs Defd.	25p	8	223	+ 3	245	204
Beecham	25p	8	436	—	452	372
Commercial Union	25p	8	115	—	181	97

OPTIONS TRADED

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Apr. 20	May 2	July 21	Aug. 2
May 3	May 16	Aug. 4	Aug. 16
May 17	May 30	Aug. 18	Aug. 31

Calls were dealt in Bank and Commercial, Premier Consolidated Oil, Capital and Counties Property, English Property, Tesco, Allied Polymer, Mount Charlotte Investments, Town and City Properties, Tricentrol, Land Securities and William Press. Puts were done in Shell Transport and Courtaulds, while doubles were arranged in Burmah Oil, Premier Consolidated Oil, Dolan Packaging, Mount Charlotte Investments, Land Securities, Peachey Property, Town and City Properties, and Shell Transport. A short-dated call was done in Land Securities. A put was arranged in Courtaulds and a double in Land Securities.

FT—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS GROUPS & SUB-SECTIONS Figures in parentheses show number of stocks per section	Thurs. April 28, 1977 Index No.	Day's Change %	Est. Earnings Yield % (Max.) Corp. Tax 52%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (Net) Corp. Tax 52%	Wed. April 27 Index No.	Tues. April 26 Index No.	Mon. April 25 Index No.	Fri. April 22 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (177)	169.76	+0.9	17.70	6.18	8.33	168.22	164.94	164.60	165.22	157.37
2	Building Materials (29)	142.00	+1.2	18.69	7.27	7.95	140.36	138.22	139.30	139.51	144.09
3	Contracting, Construction (24)	245.29	+1.4	18.29	4.53	0.30	241.97	237.81	239.74	242.35	224.62
4	Electricals (16)	332.21	+0.7	16.67	4.88	8.89	329.80	322.55	317.86	321.21	276.82
5	Engineering (Heavy) (11)	230.43	+0.6	23.20	5.73	5.89	229.08	224.40	225.48	221.66	190.12
6	Engineering (General) (67)	152.04	+0.7	17.02	6.80	8.66	151.06	148.05	147.49	148.14	147.11
7	Machine and Other Tools (9)	79.43	+0.9	25.05	7.60	6.09	78.71	76.47	76.29	76.07	59.81
8	Miscellaneous (21)	146.46	+1.7	17.08	6.52	8.45	144.05	141.03	141.81	140.38	139.79
	CONSUMER GOODS										
11	(DURABLE) (52)	152.64	+1.2	18.49	5.33	8.06	150.79	148.36	148.06	147.49	137.27
12	Lt. Electronics, Radio TV (15)	174.33	+1.5	16.65	4.21	9.04	171.82	168.89	168.76	167.47	153.72
13	Household Goods (12)	150.97	+1.1	20.54	8.05	7.06	149.38	147.83	148.07	148.49	179.49
14	Motors and Distributors (25)	98.54	+0.9	20.73	6.32	7.15	97.64	96.06	95.60	95.61	83.66
	CONSUMER GOODS										
21	(NON-DURABLE) (171)	163.04	+0.5	14.94	6.22	9.84	162.17	160.49	160.23	160.67	154.00
22	Breweries (15)	167.63	+1.2	15.07	7.17	9.98	165.63	163.26	165.36	166.02	156.31
23	Wines and Spirit (6)	182.84	+1.3	13.91	6.20	11.03	180.47	180.28	181.33	181.42	184.09
24	Entertainment, Catering (15)	208.38	+2.5	14.90	7.08	10.17	203.33	202.07	200.23	198.93	188.81
25	Food Manufacturing (21)	170.33	+0.1	18.16	5.75	8.09	170.20	170.31	169.20	169.55	174.34
26	Food Retailing (17)	174.20	+1.2	12.40	4.78	11.69	172.16	171.29	171.48	171.82	137.39
32	Newspapers, Publishing (16)	278.24	+2.1	9.75	4.01	15.54	272.52	265.55	260.13	259.02	174.32
33	Packaging and Paper (14)	112.78	+0.4	16.68	7.15	9.22	112.28	110.80	111.10	110.85	109.07
34	Stores (35)	141.33	−0.2	11.27	5.10	13.69	141.55	139.11	138.09	139.10	126.67
35	Textiles (24)	159.00	−0.2	13.97	7.61	11.36	159.27	157.26	157.60	158.26	168.48
36	Tobaccos (3)	211.44	+0.2	21.53	8.49	6.17	210.96	209.47	210.47	211.05	226.66
37	Toys and Games (5)	90.08	+1.5	19.23	7.14	6.92	88.73	86.37	86.37	84.63	75.63
	OTHER GROUPS (96)										
42	Chemicals (27)	227.12	+0.7	16.27	5.23	8.77	225.52	223.14	223.12	226.19	226.96
44	Office Equip. (6)	94.69	+2.8	17.61	5.97	7.91	92.10	89.46	90.94	91.21	98.39
45	Shipping (10)	458.99	+0.2	13.61	5.85	10.79	458.00	453.96	453.90	458.12	384.53
46	Miscellaneous (53)	173.43	+1.0	15.93	7.19	9.28	171.79	168.04	168.24	167.45	170.31
49	INDUSTRIAL GROUP (496)	170.80	+0.8	16.13	6.08	9.09	169.52	167.12	166.96	167.57	161.81
51	Oils (4)	494.27	−0.1	11.21	3.65	10.36	494.94	485.72	483.53	490.28	379.25
59	500 SHARE INDEX	196.73	+0.6	15.21	5.62	9.30	195.57	192.64	192.32	193.48	179.75
61	FINANCIAL GROUP (100)	130.32	+0.4	—	6.23	—	129.81	128.81	128.04	128.55	136.04
62	Banks (6)	143.49	−0.9	28.38	6.70	5.30	144.83	146.97	148.24	149.01	163.04
63	Discount Houses (10)	164.95	−0.4	—	8.92	—	165.63	164.54	166.28	165.85	160.73
64	Hire Purchase (5)	129.17	+1.0	7.21	5.41	28.05	127.94	127.22	127.30	126.07	115.69
65	Insurance (Life) (10)	105.91	+1.6	—	7.64	—	104.24	102.02	102.15	103.40	117.42
66	Insurance (Composite) (7)	102.01	+0.3	—	7.40	—	101.75	100.15	99.16	100.87	100.88
67	Insurance Brokers (10)	278.75	+1.2	13.13	4.77	11.41	275.36	272.42	273.52	273.54	259.74
68	Merchant Banks (15)	65.50	+1.4	—	6.63	—	64.62	64.67	64.60	64.30	81.76
69	Property (31)	187.12	+1.1	4.13	2.98	38.56	185.10	180.68	173.93	170.66	180.80
70	Miscellaneous (6)	87.40	+2.2	16.40	9.86	9.48	85.52	85.45	84.56	85.30	81.13
71	Investment Trusts (50)	168.84	+0.7	3.24	4.76	30.89	167.59	166.40	168.27	168.20	165.34
81	Mining Finance (4)	100.87	−0.2	15.16	5.21	7.90	101.05	100.81	101.86	101.77	114.72
91	Overseas Traders (18)	273.29	+1.4	16.43	6.15	8.52	269.45	267.56	268.34	267.76	250.74
99	ALL-SHARE INDEX (672)	180.17	+0.6	—	5.68	—	179.15	176.78	176.58	177.41	168.56

	FIXED INTEREST	Thurs., April 28 Index No.	Thurs., April 28 Yield %	Wed. April 27	Tuesday April 26	Monday April 25	Friday April 22	Thurs. April 21	Wed. April 20	Tues. April 19	Year ago (approx.)
1	Consols 2½% yield	—	12.61	12.68	12.76	12.67	12.66	12.65	12.75	12.80	13.83
2	20-yr. Govt. Stocks (6)	53.20	†12.11	53.63	53.34	53.57	53.85	53.74	53.65	53.27	49.85
3	20-yr. Red. Deb. & Loans (15)	54.50	†13.60	54.90	54.75	54.89	54.91	54.94	55.05	55.05	50.04
4	Investment Trust Prefs. (15)	50.19	13.26	50.40	50.40	50.38	50.52	50.50	50.44	50.43	48.27
5	Coml. and Indl. Prefs. (20)	70.16	13.10	70.22	69.90	69.68	69.82	69.83	69.79	69.66	65.20

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A new list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4, price 13p, by post 22p.

NEW HIGHS AND LOWS FOR 1977

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1977.

NEW HIGHS (273)
BRITISH FUNDS (7)
CORPORATION LOANS (6)
COMMONWEALTH AND AFRICAN LOANS (1)
FOREIGN BONDS (1)
AMERICANS (2)
BANKS (3)
BEERS (4)
BUILDINGS (10)
CHEMICALS (9)
CINEMAS (2)
DRAPERY AND STORES (4)
ELECTRICALS (13)
ENGINEERING (44)
FOODS (6)
HOTELS (10)
INDUSTRIALS (53)
INSURANCE (1)
MOTORS (9)
NEWSPAPERS (6)
PAPER AND PRINTING (5)
PROPERTY (30)
SHIPBUILDERS (1)
SHIPPING (2)
TEXTILES (3)
TRUSTS (24)
OILS (3)
OVERSEAS TRADERS (4)
MINES (2)

NEW LOWS (3)
BANKS (1)
Cie Bancaire
DRAPERY AND STORES (1)
Blackman and Conrad
INDUSTRIALS (1)
Lindsay and Williams

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	59	1	2
Corpns. Dom. and Foreign Bonds	26	—	44
Industrials	581	142	922
Financial and Prop.	217	40	289
Oils	19	5	15
Plantation	2	16	21
Mines	15	36	74
Recent Issues	18	2	17
Totals	918	242	1,384

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

INSURANCE, PROPERTY, BONDS

BASE LENDING RATES

A.B.N. Bank	9 %	■Hill Samuel	9 %
Allied Irish Banks Ltd.	9 %	C. Hoare & Co.	† 9 %
American Express Bank	9½%	Julian S. Hodge	10 %
A P Bank Ltd.	9 %	Hongkong & Shanghai	9 %
Henry Ansbacher	9½%	Industrial Bk. of Scot.	9½%
Banco de Bilbao	9 %	Keyser Ullmann	9 %
Bank of Credit & Cmce.	9½%	Knowsley & Co. Ltd.	11 %
Bank of Cyprus	9 %	Lloyds Bank	9 %
Bank of N.S.W.	9 %	London & European	11 %
Banque du Rhone S.A.	9½%	Loodon Mercantile	9½%
Barclays Bank	9 %	Midland Bank	9 %
Barnett Christie Ltd.	10½%	■Samuel Montagu	9 %
Bremar Holdings Ltd.	11 %	■Morgan Grenfell	9 %
Brit. Bank of Mid. East	9 %	National Westminster	9 %
Brown Shipley	9 %	Norwich General Trust	9½%
Canada Permanent AFI	9½%	P. S. Refson & Co.	9 %
Capitol C & C Fin. Ltd.	10½%	Rossminster Accept'ces	9 %
Cayzer, Bowater Co. Ltd.	10 %	Royal Bk. Canada Trust	9½%
Cedar Holdings	12 %	Schlesinger Limited	9½%
Charterhouse Japhet	9½%	E. S. Schwab	11 %
C. E. Coates	10 %	Security Trust Co. Ltd.	10½%
Consolidated Credits	9½%	Shenley Trust	14 %
Co-operative Bank *	9 %	Standard Chartered	9 %
Corinthian Securities	9 %	Trade Development Bk.	9 %
Credit Lyonnais	9 %	Tweotieth Century Bk.	10½%
C. R. Dawes	11 %	United Bank of Kuwait	9 %
Duncan Lawrie	9 %	Whiteaway Laidlaw	9½%
Eagil Trust	9 %	Williams & Glyn's	9 %
English Transcont.	9½%	Yorkshire Bank	9 %
First Loodon Secs.	9 %		
First Nat. Fin. Corpn.	12½%		
First Nat. Secs. Ltd.	12½%		
Antony Gibbs	9 %		
Goode Durrant Trust	9 %		
Greyhound Guaranty	9 %		
Grindlays Bank †	9 %		
Guinness Mahon	9 %		
Hambros Bank	9 %		

■Members of the Accepting Houses Committee.
* 7-day deposits 4½%, 1-month deposits 4½%.
† 7-day deposits on sums of £10,000 and under 4½%, up to £25,000 5½% and over £25,000 6%.
‡ Call deposits over £1,000 4½%.
§ Demand deposits 6%.

FOOD PRICE MOVEMENTS

	April 26 £	Week ago £	Month ago £
BACON			
Danish A.1 per ton	940	915	915
British A.1 per ton	915	890	890
Irish Special per ton	910	875	875
Ulster A.1 per ton	910	875	875
BUTTER (packet)			
NZ per 20 lbs	9.74- 8.82	9.74- 9.82	9.74- 9.82
English per cwt	55.86	55.86	57.12
Danish salted per cwt	58.65-60.54	58.65-60.54	58.65-60.48
CHEESE			
English cheddar rindless per tonne	1,051.13	1,051.13	1,051.13
NZ per tonne	1,004	975.0	925.50
EGGS			
Home-prod. Standard	3.45- 3.75	3.40- 3.60	3.90- 4.00
Large	3.90- 4.15	4.10- 4.30	4.05- 4.20
	April 28 per pound p	Week ago per pound p	Month ago per pound p
BEEF			
Scottish killed sides (ex-KKCF)	43.0—45.0	43.0—45.0	43.0—46.0
Eire forequarters	28.0—30.0	28.0—30.0	31.0—33.0
LAMB			
English	57.0—61.0	63.0—68.0	54.0—63.0
NZ PLs-PMs	39.5—42.0	40.5—42.0	40.5—42.5
MUTTON			
English ewes	—	—	—
PORK (all weights)	29.0—37.0	29.0—38.0	29.0—36.0
POULTRY			
Broiler chickens	32.0—36.0	32.0—36.0	31.0—36.0
London Egg Exchange price per 120 eggs.			

† Delivered. ‡ For delivery April30-May 7.

INSURANCE BASE RATES

† Property Growth	10½%
Cannon Assurance	7 %

† Address shown under Insurance and Property Bond Table.

CORAL INDEX: Close 426-431

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1977 High	Low	Stock	£	+ or –	Yield Int.	Red.
101½	98⅝	Treasury 11½pc '77‡‡	101½	+⅛	11.33	7.54
97⅞	93	Treasury 3pc '77‡‡	97⅞xd	+¼	3.06	7.01
99	94	Transport 4pc '72-77	97⅞	+⅛	4.09	7.41
100⅞	95⅝	Treasury 9pc 1978‡‡	100⅞	+⅛	8.92	7.91
102	97⅛	Treasury 10½pc '78‡‡	102	+⅛	10.25	8.33
97¼	90	Exch. 5pc '76-78	97	+⅛	5.15	7.25
104	95	Treasury 11½pc '79‡‡	104	+	11.06	9.09
93½	84	Treasury 3pc '79‡‡	92	+	3.26	6.64
95	85⅛	Electric 4¼pc '74-79	94½	+⅛	4.50	6.74
102¾	77½	Treasury 10½pc '79‡‡	102¾xd	+	10.22	9.23
92¾	84½	Electric 3½pc '76-79	92½xd	+⅛	3.78	6.75
100	87¾	Treasury 9pc 1980‡‡	100	+	8.99	8.96
100⅝	88½	Treasury 9½pc '80‡‡	100⅝xd	+⅛	9.44	9.27
91	82⅞	Treasury 3½pc '77-80	90⅝	+⅛	3.86	6.88
93	83	Funding 5¼pc '78-80‡‡	92¾	+¼	5.66	7.90
109	96	Exchequer 13pc 1980‡‡	108⅝xd	+	11.97	10.06
105¼	92	Treasury 11½pc 1981‡‡	105⅛	–⅛	10.94	9.80
89⅛	77⅞	Treasury 3½pc 1979-81	88¼	+⅛	5.97	7.08
101	86	Treasury 9¾pc 1981‡‡	100	+	9.71	9.60
109	100	Exch. 12¾pc 1981‡‡	109½xd	+⅛	11.66	10.14
98¼	90½	Treasury 8½pc '80-82‡‡	96½	.....	8.81	9.42
87⅞	71⅝	Treasury 3pc '82‡‡	86	.....	3.49	6.43
115	101⅞	Treasury 14pc '82‡‡	114½	+⅛	12.23	10.14

Five to Fifteen Years

1977 High	Low	Stock	£	+ or –	Yield Int.	Red.
15	14	Exch. 9¼pc 82 £15pd.	15	+	9.53	9.96
108⅝	95½	[illegible] 12pc 1983‡‡	108⅝	+¼	11.19	10.32
87⅝	72⅝	[illegible] 5½pc '82-84‡‡	85⅝	+⅛	6.54	8.68
94¼	77⅞	[illegible] 8½pc '84-86‡‡	92⅞	+⅛	9.41	10.14
80¾	66¾	[illegible] 6½pc '85-87‡‡	77½xd	+⅛	8.38	10.12
85¼	68½	[illegible] 7¾pc '85-88‡‡	83½	+⅛	9.51	10.67
61⅛	49⅛	[illegible] 3pc '78-88	58¾	+⅛	5.19	9.09
64¼	53⅞	[illegible] 5pc '86-89	61¾	+⅛	8.12	10.63
109⅞	90	Treasury 13pc 1990‡‡	106⅞	+½	12.60	12.48
82½	67⅛	[illegible] 8¼ 87 90‡‡	80	+½	10.72	11.73

CANADIANS

1977 High	low	Stock	£	+ or –	Div. Gross	C'vr	Y'ld Gr's
11	10	Bk. Montreal $2	11¼	.....	$1.00	—	5.2
17⅛	14	Bk. Nova Scotia $1	15	+	86c	—	3.3
41½	34¼	Bell Canada 25c	39⅝	.....	$4.08	—	6.0
19⅓	13⅛	Bow Valley‖	15½	+¼	10c	—	0.4
995p	875p	Brascan‖	930p	+5	10⅓	—	6.3
22	17	Can. Imp. Bk. $2	18½	–⅛	$1.40	—	4.4
14¼	11	Can. Pacific $5	14	.....	80c	—	3.6
30¾	26½	Do. 4pc Deb. £100	30½	.....	4%	—	13.1
22	18⅞	Gulf Oil Can.‖	22	.....	$1.06	—	2.8
410p	335p	Hawker Sid. Can.‖	375p	+5	36c	—	5.6
25½	20¼	Hollinger $5	24⅞	–⅛	$1.94	—	5.7
15	11	Hudson's Bay ‖	12⅝	–	65c	—	3.0
29½	25⅛	Hud. B. Oil G. $2½	27¾	–¼	$1.52	—	3.2
18¾	15½	Imperial Oil‖	16¾	+⅛	86.4c	—	3.0
28¼	23⅝	Inco	25⅛	–⅛	$1.60	—	3.7
840p	740p	Int. Nat. Gas $1	840p	+10	80c	—	5.6
18¾	14½	Massey Ferg.‖	17⅞	+¼	$1.00	—	5.4
24½	20⅝	Pacific Pet. $1	22⅝	–¼	86.4c	—	2.2
42p	32p	Place Gas $1	36½p	.....	—	—	—
23¾	19⅝	Rio Algom	23	+⅛	$1.00	—	2.6
22	17⅞	Royal Bk. Can. $2	19	–	$1.38	—	4.2
19⅞	16	Seagram Co. C$1	17⅞	+	86.4c	—	2.9
16⅞	12¼	Tor. Dom. Bk. $1	14	–⅛	76c	—	3.1
11½	925p	Trans. Can. Pipe 33⅓c	11⅝	.....	95c	—	4.9

S.E. List Premium 47⅝% (based on $1.6795 per £)

BANKS AND HIRE PURCHASE

1977 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
325	246	ANZ $A1	305	+2	tQ18c	—	3.6	—
238	180	Alexanders D. £1	215	.....	12.83	—	9.2	—
£114	£92½	Algemene Fl.100	£114xd	.....	Q22.5%	2.5	3.1	8.1
440	350	Allen Harvey £1	380	.....	†t30.2	—	12.2	—
116	96	Allied Irish	107	+1	†Q6.89	—	6.4	—
130	105	Arbuthnot L. £1	127	+4	8.28	—	10.0	—
£25½	£19⅝	Bank Amer. $1.565	£20¾	+¾	Q80c	—	2.4	—

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 47⅝% (based on $US1.7195 per £)

Conversion factor 0.6795 (0.6760)

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INDUSTRIALS—Continued

1977 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
69	56	Lesney Prods. 5p	69	+1	†2.34	6.5	5.2	5.6
81	70	Letraset 10p	81	+6	g2.79	4.2	5.3	6.6
13	9½	Liden 10p	9½	......	—	—	—	—
37	27	Light & Leis. 10p	35	−½	†b1.6	5.1	7.2	6.8
28	17	Lindsay & Wms.	17	−2	—	—	—	—
78	56	Lindustries	70	+4	4.0	2.7	9.0	6.3
30	23	Lipton (L.)	30	......	1.0	2.8	5.1	15.2
32½	24	Lon. & Nthn. Grp.	32	+1	3.25	1.5	15.6	6.0
19½	17	Long Hmbly. 10p	19xd	......	g1.42	3.6	11.5	4.1
40	30	Longton Trans.	40	......	†3.1	2.8	11.9	4.6
50	39	Lonsdale Univrsl.	50	+2	4.15	1.9	12.8	6.3
158	118	Low & Bonar 50p	150	−2	9.75	ϕ	10.0	ϕ
92	60	MK Refrig'n 10p	92	......	d2.72	5.0	4.5	6.8
9½	8	MPI 5p	9#	......	—	—	—	—
45	36½	M.Y. Dart 10p	45	......	†1.5	5.0	5.2	5.9
19	13	Macanie Ldn. 10p	18	......	1.61	1.4	13.7	7.0
82	74	M'c'rthy Ph. 20p	79	+1	3.52	3.1	6.9	7.1
65	45	Macfarlane Gp.	52	−1	3.44	1.5	10.6	9.5
218	155	McBride Rbt. 10p	195xd	+2	4.39	ϕ	3.5	ϕ
26	13	McCleery L'A	13½	......	1.25	—	14.3	—
54½	36½	Macpherson (D.)	49	−1	2.36	4.1	7.4	5.1
21½	17	Md'me Tus'ds 5p	21	......	0.97	2.9	7.1	7.5
62	46	Magnolia Group	56	......	2.41	ϕ	6.6	ϕ
71	51	Mngmt. Ag M.10p	64	+2	5.2	2.3	12.5	5.4
230	166	Man. Ship Can. £1	212	......	13.93	ϕ	10.1	ϕ
14	11	Marling Ind. 10p	13	......	†d0.92	3.3	10.9	4.0
32½	25	Marshall Lxy. 'A'	32xd	......	2.25	ϕ	10.7	ϕ
161	107	Marshall's Univ.	137xr	+1	g7.55	ϕ	8.7	ϕ
97	72	Martin-Black	74xd	+1	4.4	ϕ	9.1	ϕ
82	60	Maynards 25p	82	......	†4.33	2.3	8.1	8.1
12½	11	Medminster 10p	12xd	......	0.8	ϕ	10.3	ϕ
11	9	Mentmore 5p	10	+½	0.83	0.9	12.8	13.0
306	246	Metal Box £1	296	......	†12.1	2.6	6.3	9.6
95	64	Metal Closures	74xd	......	3.77	ϕ	7.8	ϕ
38	28	Mettoy	38	+2	†1.87	3.8	7.6	5.7
166	143	Miln. Mrstrs. 50p	143	......	g7.63	2.8	8.2	7.4
45	34	Mit. Cotts Tr'spt.	42	+1	2.99	2.3	11.0	5.3
£220	£170	M'santo 5pc 82-6	£187	+2	Q5%	[illegible]	†2.7	—
23	14	Mono Containers	21	......	†2.0	0.1	‡	—
6	3	Monument 10p	6	......	—	—	—	—
[illegible]	86	Morgan Crucible	105	+3	4.72	ϕ	7.1	ϕ
[illegible]	24	Morrall (Abel)	33	......	2.17	2.7	10.1	5.6
[illegible]	27	Moss (Robt.) 10p	33	......	†h1.66	1.8	7.8	8.1
[illegible]	8½	Movitex 10p	9	......	—	—	—	8.5
[illegible]	51	Myson Gp. 10p	62xd	+2	3.78	ϕ	9.4	ϕ
[illegible]	45	Nash (J. F.) Secs.	47	......	4.63	2.6	15.2	3.8
[illegible]	25	Nathan (B. & I.)	37	......	3.0	ϕ	13.2	ϕ
[illegible]	35	Nat. Crb'nsg 10p	54	+2	0.65	1.1	1.8	70.3
[illegible]	£45	N.C.R. 4% 83/88	£47½	+1½	Q4%	ϕ	†8.4	—
[illegible]	35	Negretti & Zambra	63	−4	2.96	2.4	7.2	6.8
[illegible]	22	Neill&Sp'ncer 10p	48	......	1.79	4.2	5.7	6.3
[illegible]	6¼	New Equip. 10p	10½	......	0.88	1.8	12.9	6.8
[illegible]	50	Newey Group £1	67	......	—	—	—	—
[illegible]	51	Norcros	66	+2	3.6	2.5	8.4	7.2
[illegible]	42	Norton & Wr't. 10p	53	......	†d3.64	2.3	10.6	6.4
[illegible]	14	Nordic Secs. 10p	22	......	1.9	1.9	13.3	6.0
[illegible]	17	Nu-Swift 5p	24	+1	1.4	1.6	9.0	10.9
[illegible]	56	Office & Elect.	65	+3	3.65	ϕ	9.0	ϕ
[illegible]	59	Ofrex 20p	67	......	3.16	ϕ	7.3	ϕ
[illegible]	24	Ovenstone 12½c	24	......	Q10c	2.3	27.9	1.4
[illegible]	85	Ozalid	94½	......	†5.3	1.6	8.6	11.3
[illegible]	25	P.M.A. (Holdings)	38	......	—	—	—	—

1977 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
18	10	Tern-Consulate	17xd	......	0.62	ϕ	5.7	ϕ
20	14	Text'rd Jrsy. 10p	15	......	—	—	—	22.0
47	41	Tomkinsons	45	......	d3.67	1.0	12.6	12.7
41	31	Tootal	39	+½	b2.44	1.5	9.6	10.8
42	35	Toray Y50	39½	......	Q15c	—	2.0	—
21	13	Trafford Carpets	21	......	1.62	2.8	11.9	4.6
30	24	Tricoville 10p	28	−1	1.46	4.9	8.0	3.9
7	3	U.U. Texts. 10p	4¾	......	—	—	—	—
31½	26	Vita-Tex 20p	30	......	d2.7	2.2	13.8	5.1
74	65	Wood Bastow 20p	68	......	†3.8	3.4	8.6	5.3
24½	14	Worth (Bond)	16	+½	1.95	1.8	18.8	(3.7)
29	24	Yorks. Fine W. 20p	27	......	1.65	ϕ	9.4	ϕ
80	60	Youghal	60	......	Q8.76	1.4	14.6	5.8

TOBACCOS

1977 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
280	235	BAT Inds.	265	......	†h12.87	†3.2	7.5	5.7
245	204	Do. Defd.	223	+3	—	—	—	4.8
260	210	Dunhill (A.) 10p	260	......	†7.09	6.2	4.2	5.9
78	64	Imperial	75	+½	5.07	1.8	10.4	8.3
39	32	Rothmans 12½p	33½	......	†1.82	6.8	8.4	2.8
38	28	Siemssen Hn. 10p	38	......	2.14	ϕ	8.9	ϕ

TRUSTS, FINANCE, LAND

Investment Trusts

1977 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
40	33	Aberdeen Invs.	40	......	†1.8	1.1	6.9	20.1
122½	103	Aberdeen Trust	128	+1	†4.02	1.1	5.3	26.4
89	67	Ailsa Inv.	87	+1	†3.41	1.0	6.0	24.7
76	67	Alliance Inv.	69	......	†h2.01	0.7	4.5	93.6
186	166	Alliance Trust	185	+2	6.35	1.0	5.3	27.8
102	91	Altifund Inc. 50p	102	......	6.75	1.0	10.2	14.9
140	81	Do. Capital 50p	124	+5	0.34	—	—	—
41	36	Ambrose Inv. Inc.	41	......	3.25	1.2	12.2	10.3
36	27	Do. Cap.	34	+1	—	—	—	—
35¾	30	American Trust	35	+½	1.1	†1.0	4.8	31.4
34½	28½	Do. "B"	32½	......	—	—	—	—
91	82	Anglo Am. Secs.	88	......	2.64	1.1	4.6	30.4
37	33	Anglo-Int. Div.	35½	......	2.9	1.0	12.6	12.4
99	86	Do. Asset Shs.	99	+2	—	—	—	—
37½	31	Anglo-Scot. Inv.	36	......	1.5	1.0	6.5	24.0
38	28	Anglo Welsh 50p	38	......	1.35	ϕ	5.5	ϕ
47	42	Do. 12½% Pf. 50p	47	......	8¾%	ϕ	13.7	—
56	52	Archimedes Inc.	54	......	4.68	1.0	13.3	11.4
24½	18	Do. Cap. 50p	22½	+½	—	—	—	—
116	93	Argo Inv. (SA1)	108	......	g5.8	ϕ	5.4	ϕ
108	94	Ashdown Inv.	104	......	3.4	1.0	5.0	31.0
44	35	Atlanta Balt. 10p	36½	......	0.25	1.4	1.1	—
58½	48½	Atlantic Assets	56½	+1	0.4	4.2	1.1	33.3

TRUSTS—Continued

1977 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
42	31	Haw Par S. $1	32½	......	—	—	—	—
13	9	Investment Co.	12	......	ϕ0.94	3.1	12.0	3.0
100	56½	Kakuzi KS-	100	+5	[illegible]	2.0	6.4	9.0
40	14	Kitch'n. Tyl'r 10p	21	......	—	—	—	—
18	14	Kwahu 10p	17	......	1.5	1.2	13.6	9.7
15	8	Lamont Hlds. 10p	14	+1	0.7	—	7.7	—
146	52	Lampa Secs. 50p	54	......	←	—	—	—
22	15	Lon. Euro. Grp.	18	......	‡1.55	—	‡	—
49	34	Lon. Merchant	49	+½	†0.87	ϕ	2.7	ϕ
88	60	M. & G. Hldgs. 5p	80	+2	3.1	3.1	6.1	8.2
34½	22½	Majedie Invs. 10p	30	......	0.6	1.8	3.1	27.7
78	50	Martin (R.P.) 5p	60	+3	5.94	1.1	15.2	8.9
£12	950	Mass. Mrt. & R'lty	£11½	......	Q$1.16	—	6.3	—
16	13	N.M.C. Invs. 12½p	15	......	1.3	1.2	13.3	9.1
24	18	New Bridge Hlds.	23	−1	‡Q3.0	1.4	13.0	5.6
225	210	Nippon Fd. Stg. 10p	220	......	—	—	—	—
8	5½	Parambe 10p	7	+½	—	—	—	—
15	10	Park Place Inv.	13	......	†0.43	2.2	5.1	(10.8)
143	120	Pearson (S) & Son	143xd	+1	6.10	q3.5	6.6	6.7
£57	£47	Pretab'l-S. Frs250	£53	−1	Q9.4%	—	5.6	—
7½	7	St. George 10p	7½	......	0.39	1.2	8.0	16.1
87	47½	Scot. & Merc. 'A'	87	+1	2.7	1.5	4.8	19.7
£46	£40	S.E. 6¼pc Ann.	£45	......	Q4.25	—	9.5	—
48	37	Smith Bros.	41	+1	4.0	1.2	15.0	8.4
13	8	Sthn. Pac. HK50c	12	−1	—	—	—	5.6
£38¾	£30	Suez Fin. NF100	£35	−1½	Q22½	—	8.1	—
£10¾	900	Trans. Mkt. Tst. 1p	950	......	Q43.02	ϕ	4.7	‡
47	23	Vavasseur Pf. '81	47	+7	—	—	—	—
28	23	Wstn. Select 20p	23	......	1.98	ϕ	13.2	ϕ
32	22	West of England	30½	+1	†1.24	2.9	6.2	6.6
10	6	York Trust 20p	7	......	←	—	—	6.9
63	33	Yule Catto 10p	51	......	1.22	ϕ	3.7	ϕ

OILS

1977 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
128	46	Attock 20p	112	......	4.2	1.4	5.8	(16.8)
40	25	Berry Wiggins	38	......	‡1.92	2.1	‡	—
146	130	Brit. Borneo 10p	144	......	†5.49	1.4	5.9	16.6
956	776	Brit. Petrol'm. £1	912	−8	19.79	1.4	3.3	32.5
69	60	Do. 8% Pf. £1	69	......	5.6%	15.6	12.5	—
78	41	Burmah £1	75	......	—	—	—	—
£54½	£40½	Do. 8½ Ln. 91/96	£54½	+½	Q8½%	—	e17.1	—
£15½	£12½	††CCP Nth. Sea £1	£14¾	+½	—	—	—	—
66	44	Century 10p	66	+½	g2.39	2.3	5.6	13.1
£18¾	£15½	Cie Fr. Petroles B.	£16	−½	Q15.6fr	ϕ	13.1	ϕ
11½	8	Endeavour 50c	8	......	—	—	—	—
16	14	Int. Oil 50c	17	......	—	—	—	—
£96	£84½	LASMO 14% 1981-88	£94½	......	Q14%	—	e16.0	—
325	260	LASMO "Ops" 10p	317	+5	—	—	—	—
112	78	Oil Expl. 10p	110	−2	1.89	3.3	2.6	17.8
14½	8	Premier Cons. 5p	14	......	—	—	—	—
£19	£14⅞	Ranger Oil	£16⅞	+⅜	—	—	—	—
3¼	2¼	Reynolds Div. 1c.	2¼	......	—	—	—	—
£50¾	£40	Ryl. Dutch Fl.20	£50	+½	Q50%	2.5	5.1	7.9
537	454	Shell Trans. Reg.	532	+4	14.06	4.7	4.1	5.7
60	54	Do. 7% Pf. £1	60	......	4.9%	11.6	12.6	—
165	88	††Siebens (U.K.) £1	100	+10	—	—	—	—
£62	£55	Texaco 4¾% Cnv.	£58½xd	+1	Q4¾%	—	†8.1	—
144	100	Tricentrol	140	......	0.81	ϕ	0.9	ϕ
172	124	Ultramar	168	−4	—	—	—	ϕ
108	85	Do. 7pc Cnv.	108	+1	4.9%	ϕ	9.3	—
58	50	Weeks Nat. 10cts.	—	......	—	—	—	—
58	50	Do. Pfd. Ord. 10c	50	......	Q15%c	—	18.1	—
12	1	Do. Options	1	......	—	—	—	—
116	79	Wood-Evns. A50c.	81	−1	—	—	—	—

OVERSEAS TRADERS

1977 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
108	87	Aust. Agric. 50c	103	......	Q2.5c	—	—	—
187	144	Berisford (S. & W.)	177	+1	6.5	3.3	5.6	8.2
166	124	Booker McC. 50p	166	+5	6.34	3.4	6.0	7.5
93	80	Borthwick (Thos.) 50p	86	+1	6.0	2.4	10.7	5.5
22	17½	Boustead (10p)	20	......	1.5	ϕ	12.1	ϕ
224	150	Finlay (Jas.) 50p	218	−2	g6.0	3.4	4.2	11.2
233	158	Gill & Duffus	227	+2	†5.72	2.9	3.9	14.1
£66	£52	Gt. Nthn. £10	£63	......	Q12%	ϕ	3.7	ϕ
587	387	H'ris'ns. Cros. £1	550	+13	†h14.5	3.0	4.1	12.4
92	73	Hoffnung (S.)	76	+1	†3.79	2.4	7.7	6.4
410	335	Inchcape £1	410	+10	b10.0	4.0	3.8	10.0
18½	9	Jacks Wm.	15½	......	—	—	—	14.6
25	18	Jamaica Sugar	24	......	Q4.0	0.23	17.4	2.4
*82	62	Lonrho	70xr	+1	†6.45	5.6	14.2	3.3
49	36½	Mitchell Cotts	46xd	......	3.32	1.6	11.1	7.4
199	145	Ocean Wlsns. 20p	199	+4	§5.0	4.0	3.9	8.8
225	135	Pat'son. Zoch. 10p	200	......	†3.08	14.2	2.4	5.9
225	130	Do. 'A' N/V 10p	195	......	†3.08	14.2	2.4	3.9
51	42	Sanger (J.E.) 10p	47	......	d4.4	1.6	12.9	6.8
6¼	4½	Sena Sugar 50p	5¼	......	B—	—	—	—
120	96	ΔSime Darby 10p	108xd	+1	†Q2.6	3.5	2.4	18.6
325	200	Steel Bros. 50p	325	+35	¶12.5	ϕ	6.0	ϕ
40	22½	U. City Merc. 10p	38	−1	†b0.74	8.8	3.0	5.8
38	24	Do. 10pc Ln. 20p	37	−1	Q10%	21.5	f5.4	—

RUBBERS AND SISALS

1977 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
58	34	Anglo-Indones'n.	58	......	1.25	2.9	3.3
58	43	Bertam Cons. 10p	57	−1	1.77	2.1	4.8
8½	8	Bird (Africa)	8¼	......	—	—	—
80	72	Bradwall 10p	80	......	2.21	1.3	4.2
101	82	Castlefield 10p	101	......	2.27	2.9	3.5
40	25	Chersonese 10p	38xd	......	2.0	ϕ	8.1
95	75	Cons. Plants 10p	86	−1	†Q8.0	1.3	9.3
36	28	Gadek Malay 10p	35	......	—	—	—
94	73	Golden Hope 10p	81	−1	♦y4.65	2.1	8.8
8½	5½	Grand Central 10p	7½	......	0.5	—	10.3
217	155	Guthrie £1	214	......	†6.5	1.2	4.7
59	49	Harrisons Mly. Est. 10p	53½	−½	3.0	—	8.6
50	36	Highlands M50c	47xd	−½	‡1.45	1.1	‡
40½	34½	Kuala Kepong M$1	38½	+½	†Q10c	ϕ	6.4
27	22	Kulim 50c	26	......	†Q23%	0.8	9.9
78	55	Ldn. Asiatic 10p	70	−1	♦y4.02	2.3	8.8
55	40	Ldn. Sumatra	54	−½	1.21	2.7	3.4
38	31½	Malakoff M$1	38	......	2Q5%	—	3.3
21	10	Malayalam 10p	18½	−½	1.46	1.2	12.2
77	50	Muar River 10p	75	......	1.55	1.2	3.2
74	51	Pataling 10p	67	−1	♦y3.84	ϕ	8.8
40	33½	Plantation Hldgs. 10p	39½	−½	1.95	1.8	7.6
£14	£10¼	Sungei Krian £1	£14	......	50.0	1.7	5.5

TEAS

India and Bangladesh

1977 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
200	132	Assam Dooars £1	190	+3	8.51	2.7	6.9
180	150	Assam Frontier £1	178	−2	7.86	1.9	6.8
96	52	Assam Invs. £1	88	−2	3.3	3.0	5.8
230	160	British Indian £1	230	......	5.0	2.0	5.3
15½	5	Empire Plants 10p	14½xd	−½	0.65	2.3	6.9
208	123	Jokai £1	208	......	7.86	3.0	5.8
208	88	Longbourne £1	208	......	3.85	4.5	2.8
225	118	McLeod Russel £1	217	......	†10.0	3.9	7.1
240	124	Moran £1	240	......	†9.0	0.7	5.9
19	8½	Singlo Hldgs. 10p	15xd	−½	0.78	1.8	8.0
178	101	Warren Plants	173	−5	†7.8	3.1	6.9
165	80	Williamson £1	165	......	4.95	3.1	4.6

Sri Lanka

1977 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
88	59	Lunuva £1	87	......	3.58	1.0	6.3

Africa

1977 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
315	190	Blantyre £1	315	......	15.27	ϕ	7.5
62	38	Purbeck Grp.	60	−2	3.48	ϕ	9.2
112	50	Ruo Estates	110	......	7.54	ϕ	10.8

MINES

CENTRAL RAND

1977 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
365	175	Durban Deep R1	215	......	—	—	—
295	210	East Rand Prp. R1	245	−5	Q5c	16.4	0.0
£25¾	£19	Randfont'n Est. R2	£20¾	−¼	Q200c	3.5	6.5
165	116	West Rand R1	120	......	Q10c	5.2	5.6

EASTERN RAND

1977 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
97	62	Bracken R1	67	−5	‡Q25c	1.5	‡
20	9	East Dagga R1	15	......	—	—	—
140	140	Govmnt. Areas 5c	140#	......	—	—	—
75	52	Grootvlei 30c	62	−2	Q8c	1.9	8.6
270	205	Kinross R1	235	−5	‡Q32c	2.2	‡
39	26	Leslie 70c	26	−1	‡Q9c	1.7	‡
80	46	Marievale R0.50	48	−1	Q20c	1.5	27.9
44	33	S. African Ld. 35c	34	......	Q2½	10.7	4.9
42	33	Vlakfontein R1	38	......	Q12c	1.4	21.1
565	380	Winkelhaak R0	485	−15	‡Q76c	1.3	‡
31	16	Wit. Nigel 25c	24	......	—	—	—

FAR WEST RAND

1977 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
710	[illegible]	[illegible] 25	285	......	‡Q75c	1.6	‡
855	[illegible]	[illegible]ls R1	690	−10	‡Q125c	1.6	‡
78	58	[illegible] R0.20	60	......	—	—	—
260	[illegible]	[illegible]fontein R1	175	−5	‡Q55c	2.2	‡
610	[illegible]	[illegible] Drie R1	485	−15	Q75c	1.4	10.4
155	108	[illegible] Gld. 20c	110	......	—	—	—
104	64	[illegible] R1	73	......	Q9¾c	1.0	8.9
£11¼	[illegible]	[illegible] R1	825	......	‡Q190c	1.3	‡
410	[illegible]	[illegible] Gold R1	315	−5	‡Q47c	1.5	‡
315	[illegible]	[illegible] R1	275	......	‡Q80c	2.0	‡
370	[illegible]	[illegible] 50c	285	......	Q6c	0.3	1.4
210	[illegible]	[illegible]fontein 50c	164	−6	Q22c	2.1	9.0
£11¾	[illegible]	Vaal Reefs 50c	975	−25	[illegible]	2.7	7.6
155	70	Venterspost R1	110	......	[illegible]	3.6	‡
£13¾	[illegible]	W. Drie R1	£15½	......	[illegible]	1.5	‡
177	[illegible]	Western Areas R1	124	−4	[illegible]	2.5	‡
750	[illegible]	Western Deep R2	595	−5	[illegible]	2.0	10.1
192	[illegible]	Zandpan R1	154	−1	[illegible]	1.0	‡

O.F.S.

1977 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
105	77	Free State Dev. 50c	80	......	Q9c	0.6	7.5
£12½	787	F.S. Geduld 50c	900	−37	‡Q200c	1.8	‡
110	68	F.S. Saaiplaas R1	87	−1	—	—	—
380	235	Harmony 50c	310	−5	Q25c	ϕ	5.4
85	49	Loraine R1	65	......	Q6c	0.5	6.2
£10⅞	837	Pres. Brand 50c	850	−25	‡Q170c	2.0	‡
700	475	Pres. Steyn 50c	535	−15	‡Q45c	5.9	‡
£12⅝	925	St. Helena R1	925	−25	‡Q170c	2.1	‡
152	108	Unisel	129	−3	—	—	—
208	118	Welkom 50c	140	−8	‡Q15c	3.7	‡
£15¼	£10½	W. Holdings 50c	£11⅛	−¼	‡Q310c	1.3	‡

FINANCE

1977 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
475	370	Ang. Am. Coal 50c	475	......	MQ40c	[illegible]	5.6
256	195	Anglo Amer. 10c	220	......	‡Q33c	[illegible]	10.0
£16⅜	£11⅜	Ang. Am. Gold R1	£13¼	−¼	Q180c	1.1	8.8
870	750	Ang-Vaal 50c	870	......	Q105c	[illegible]	8.2
149	122	Charter Cons.	125	......	†6.76	[illegible]	8.3
187	138	Cons. Gold Fields	154	−3	†7.37	[illegible]	7.4
19	15	East Rand Con. 10p	15	−½	1.0	[illegible]	10.3
—	—	Geduld Inv. R1	240#	......	Q40c	[illegible]	11.2
£15	£12	Gen. Mining R2	£13⅛	......	Q210c	[illegible]	10.7
£12	875	Gold Fields S.A. 25c	900	......	‡Q155c	[illegible]	‡
£24	£11½	Jo'burg Cons. R2	£13¾	......	Q170c	[illegible]	8.6
230	170	Middle Wit 25c	190	......	‡Q35c	1.2	‡
186	155	Minorco SBD1.40	158	−2	mQ2c	0.7	0.8
104	73	New Wit 50c	85	......	‡Q18c	1.0	‡
£15⅞	£10¾	Patino NV Fls.5	£13⅝	+⅛	QC65c	0.8	3.1
*467	387	Rand Selection 50c	435	......	‡Q65c	1.4	10.0
500	438	Selection Trust	464	−2	15.2	1.5	5.0
175	118	Sentrust 10c	155	+1	‡Q30c	1.4	‡
45	33	Silvermines 2½p	38	−1	3.0	1.6	12.1
£11½	925	Tvaal Cons. Ld. R1.	£10¾	−¼	Q75c	2.4	4.7
190	117	U.C. Invest R1	170	......	Q30c	1.1	11.8
240	170	Union Corpn. 6.25c	200	......	Q36c	1.8	12.1
80	60	Vogels 2½c	62	+2	‡Q7½c	[illegible]	8.1

DIAMOND AND PLATINUM

1977 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
£26½	£19	Anglo-Am. Inv. 50c	£23¾	+¼	Q410c	ϕ	11.6
73	62	Bishopsgate Pt. 10c	70	......	†Q8c	1.0	7.7
270	188	De Beers Df. 5c	240	......	Q35c	2.4	9.8
£11	850	Do. 40pc Pf. R5	£10½	......	Q200c	[illegible]	12.9
76	62	Lydenburg 12½c	66	......	‡Q7.2c	1.0	7.3
96	77	Rus. Plat. 10c	85	......	Q10c	3.2	7.9

MINES—Continued

CENTRAL AFRICAN

1977 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
64	38	Coronation 25c	48	−2	Q5c	8.4	7.0
130	70	Falcon Rh.50c	110	+3	†Q35c	1.7	31.1
14	9	Rhod'n Corp. 16⅔p.	13	......	0.56	4.3	6.6
165	140	Roan Cons. K4	146	......	—	—	—
164	135	Tanganyika 50p	135	......	Q10.0	0.8	7.4
70	70	Do. Pref. 80p	70	......	Q9	10.2	10.3
35	27	Wankie Col. Rh.1	31	......	Q7½c	1.5	23.7
27½	16	Zam.Cpr. SBD0.24	17	......	—	—	—

AUSTRALIAN

1977 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
20	10	Acmex 25c	10	......	—	—	—
127	58	Bougainville 50 Toea	106	......	Q10c	1.5	5.9
125	90	BH South 50c	122	......	—	—	—
305	119	Conzinc Riotinto 50c	305	......	Q9c	2.3	1.8
50	18	G.M. Kalgoorlie $1	37	......	—	—	—
98	78	Hamptn Areas 5p	84	+2	13	5.0	2.4
35	22	Metals Ex. 50c	25	......	—	—	—
25	13	Metramar 20c	24#	......	—	—	—
242	188	M.I.M. Hldgs. 50c	237	+1	†Q4½c	1.8	1.2
105	20	Mount Lyell 25c	35	......	—	—	—
2¾	1½	Newmetal 10c	2	......	—	—	—
120	86	North B. Hill 50c	115	......	†Q4½c	b2.6	4.9
7½	4¼	Nth. Kalgurli	6½	......	—	—	—
105	87	Oakbridge $A1	105	+2	†Q9c	1.5	5.4
50	20	Pacific Copper	38	......	—	—	—
£11¼	725	Pancont'l 25c	£11½	−⅛	—	—	—
11	8	Paringa M&Ex. 5p	8	......	—	—	—
490	355	Peko-Wallsend 50c	490	+5	Q15c	2.7	1.9
—	—	Poseidon 20c	75#	......	—	—	—
9	6	Vultan Mln. 50c	7	......	—	—	—
157	110	Westn. Mining 50c	156	......	†Q5c	1.3	2.0
75	60	Whim Creek 20c	60	−15	—	—	—

TINS

1977 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
39	22	Amal. Nigeria	23	......	8.93	0.9	6.3
395	310	Ayer Hitam $M1	320	......	†23.0	1.4	11.1
49½	25	Beralt Tin	48½	......	24.0	2.8	12.7
485	385	Berjuntai $M25	480	......	†Q1.5	ϕ	7.8
360	260	Geevor	280	......	†17.87	—	9.8
13	8	Gold & Base 12½p	12	......	—	—	—
255	213	Gopeng Cons.	213xd	......	13.0	1.9	9.4
77	72	Hongkong	75	......	—	—	—
67	60	Idris 10p	60	......	9.0	ϕ	24.3
10	7	Jantar 12½p	8	......	—	—	—
49	33	Kamunting 15p	33	......	22.5	1.2	11.7
340	260	Killinghall	340	......	Q50.0	ϕ	14.7
255	223	Malay Dredging	223	......	11.0	1.1	7.6
—	—	ΔPahang	27#	......	†Q2.5	0.5	9.2
52	50	Pengkalen 10p	51xd	......	5.5	1.3	16.6
155	133	Petaling $M1	155	......	Q12½c	10.9	2.0
51	35	Saint Piran	46	+1	‡1.56	2.5	5.2
105	77	South Kinta (10p)	80	+3	7.5	0.6	14.4
205	150	Sthn. Malayan	152	......	11.8	1.1	11.9
65	57	Sungei Besi $M1	65	......	—	—	—
*37	19	Supreme Corp. $M1	33	......	2Q10	—	7.5
55	42	Tanjong 15p	50	......	4.64	b1.8	14.3
67	45	Tongkah Hrbr. $M1	63	......	Q16.2%	0.3	6.7
115	93	Tronoh $M1	112	......	†4.29	2.0	5.9

COPPER

1977 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
198	145	Messina R0.50	160	......	Q45c	2.8	18.8

MISCELLANEOUS

1977 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
9½	9	Burma Mines 17½p.	9½	......	—	—	—
30	18	Charterhall 5p	29	+1½	—	—	—
107	58	Colby Mines $C1	90	−6	—	—	—
600	425	Cons. Murch. 10c	465	......	Q140c	1.4	20.2
440	355	Northgate C$1	390	−5	—	—	—
245	173	R.T.Z.	239	+1	8.0	q3.1	5.3
70	44	Sabina Inds. C$1	45	+1	—	—	—
£14 7/16	£11½	Tara Exptn. $1	£14⅜	......	—	—	—
53	39	Tehidy Minerals 10p	43	......	1.19	ϕ	4.3
160	123	Yukon Cons. C$1	157	......	Q6½c	ϕ	1.6

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

Δ Sterling denominated securities which include investment dollar premium.
● "Tap" Stock.
* Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
† Interim since increased or resumed.
‡ Interim since reduced, passed or deferred.
‡‡ Tax-free to non-residents.
ϕ Figures or report awaited.
†† Unlisted security.
# Price at time of suspension.
¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
** Free of Stamp Duty.
♦ Merger bid or reorganisation in progress.
♣ Not comparable.
♠ Same interim: reduced final and/or reduced earnings indicated.
ƒ Forecast dividend; cover on earnings updated by latest interim statement.
‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
♥ Excluding a final dividend declaration.
♦ Regional price.
‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Cover and P/E ratio exclude profits of U.K. aerospace subsidiaries. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1977-78. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. P Dividend and yield based on prospectus or other official estimates for 1977. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 40

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −
Albany Inv. 20p	20	......
Ash Spinning	40	......
Bertam	17	......
Edg'wtr. Est. 50p	223	−3
Clover Croft	21	......
Craig & Rose £1	360	......
Dyson (R.A.)	22	......
Ellis & McHdy	59	......
Evans F'r'k. 10p	31	......
Evered	11	......
Fife Forge	65	......
Finlay Pkg. 5p	20½	......
Graig Ship. £1	340	+10
Hallam Sleigh 10p	9	−½
Higsons Brew.	80	......
I.O.M. Stm. £1	153	......
Holt (Jos.) 25p	213	......
Kleen-e-Ze	42	......
Lovell's Ship £1	180	......
N'thn. Goldsmith	26	......
Pearce (C. H.)	100	......
Peel Mills	13	......
Robb Caledon 5p	87	......
Sayers 12½p	32	......
Sheffield Brick	97	......
Sheff. Refrshmt.	160	......
Shiloh Spinn.	21	......
Sindall (Wm.)	56	......

IRISH

Stock	Price	+ or −
Conv. 9% '80/82.	£93	......
Alliance Gas	43	......
Arnott	245	......
Carroll (P.J.)	89	......
Clondalkin	41	......
Concrete Prods.	75	......
Heiton (Hldgs.)	28	......
Ind. News	55	......
Ins. Corp.	120	......
Irish Distillers	52	......
Irish Ropes	125	......
Jacob	43½xd	......
Sunbeam	17½	......
T.M.G.	130	......
Unidare	60	......

OPTIONS

3-month Call rates

Industrials

Stock	Rate
A. Brew	6½
A.P. Cement	16
B.S.R.	10
Babcock	8
Barclays Bank	25
Berry Wiggins	5
Beecham	32
Boots Drug	12
Bowaters	16
B.A.T.	21
British Oxygen	6
Brown (J.)	17
Burton 'A'	6
Cadburys	5
Cavenham	10
Courtaulds	10
Debenhams	8
Distillers	13
Dunlop	8½
Eagle Star	11
E.M.I.	20
Gen. Accident	17
Gen. Electric	17
Glaxo	36
Grand Met.	7
G.U.S. 'A'	18
Guardian	18
G.K.N.	25
Hawker Sidd.	40
House of Fraser	8
I.C.I.	25
"Imps"	7
I.C.L.	14
Inveresk	7
Ladbroke	11
Legal & Gen.	12
Lex Service	5
Lloyds Bank	22
"Lofs"	5
London Brick	5
Lonrho	8
Lucas Inds.	20
"Mams"	7
Mrks. & Spncr	10
Midland Bank	25
Nat. West Bank	22
Do. Warrants	9
P & O Dfd.	12
Plessey	7
R.H.M.	5
Rank Org. 'A'	18
Reed Intl.	20
Revrolle	12
Spillers	4
Tesco	4
Thorn 'A'	22
Trust Houses	13
Tube Invest.	30
Unilever	40
Utd. Drapery	7½
Vickers	15
Woolworths	6

Property

Stock	Rate
Brit. Land	3½
Cap. Counties	3
E.P.	5
Intereuropean	7
Land Secs.	14
MEPC	7
Peachey	6
Samuel Props.	4½
Town & City	1½

Oils

Stock	Rate
Brit. Petroleum	60
Burmah Oil	8
Shell	20
Ultramar	10

Mines

Stock	Rate
Charter Cons.	15
Charterhall Fin.	4
Cons. Gold	15
Rio T. Zinc	18

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES
Friday April 29 1977

Crédit Suisse loss may top £170m.

BY PAUL BETTS

LUGANO, April 28.

LOSSES sustained by Crédit Suisse in the Chiasso affair may be mucb higber tban tbe bank's estimated Sw.Fr.250m. Though it is still loo early to estimale precisely, senior banking officials in the Canton of Ticino believe that the bank may have lost three times as mucb, equivalent to £173m.

The three most senior executives of lhe bank's Chiasso Branch are held oo remand in Lugano Jail, and a Crédit Suisse anoouncement tbat it will return 75 per cent. of the value of individual deposits guaranteed by the hranch, the remainder to be withheld to pay any related Federal fiscal demands, haa apparently reassured clients.

Only a few have withdrawn deposits and husiness at the Chiasso hranch to-day was normal.

● John Wicks in Berne reports: Dr. Fritz Leutwiler, president of the Swiss National Bank, told its annual meeting that the Crédit Suisse losses should serve as a warning to all banks — sucb an occurrence would inevitably affect the Swlss hanking reputation for soundness and integrity, he said.

Dr. Leutwiler spoke of tbe behaviour of certain unnamed Swiss banks wbleh, be said, had abused the principle of banking secrecy in a manner which damaged the reputation of Switzerland as a banking and financial ceotre.

Swisa banking law is sufficient as it stands as a basis for adequate control, he said. But the possihility of dishonest machinations could be reduced, though not eliminated altogether by strlcter enforcement. An expansion of the Swiss hank control was "advisable and urgeot."

Dr. Leutwiler referred to the Sw.Fr.3hn. standby credit offered Crédit Suisse by the National Bank, the Swiss Bank Corporation and Union Bank of Switzerland to meet any liquidity crisis. Crédit Suisse share prices dropped 10 per cent. on the day lhe offer was announced, although it was refused.

Crédit Suisse's successful negotiations of a deal to take over the active assets of Weisscredit, a smaller Ticinese bank which failed six weeks ago, and the consequent gain in clients, and qualified staff, is said to have annoyed its two main rivals, the Swiss Banking Corporation and the Union Bank of Switzerland.

Referring to this, Dr. Leutwiler denied what he called the "absurd assumption that the atandby credit offer was made without the knowledge of Crédit Suisse." The offer was made in consultation with the top management at Crédit Suisse, he said.

The Chiasso aftermath, Page 5

Arrests follow probe of Israel-British Bank

BY MARGARET REID

A NUMBER of people bave heen arrested by the City of London Police's Company Fraud Department in connection with the affairs of Israel-British Bank (London), formerly of 11/13, Holborn Viaduct, London, and now in liquidation.

Those charged in the matter are expected to appear in court at Guildhall Justice Rooms in the City this morning.

Israel-British Bank (London) was a subsidiary of Israel-British Bank, of Tel Aviv, and both were owned by relations of the late Mr. W. N. Williams. Mr. Williams' sons-in-law, Mr. Josbua Bension and Mr. Harry Landy, were joint managing directors of both hanks, Mr. Bension being based in Tel Aviv and Mr. Landy looking after the London bank.

Israel-British Bank of Tel Aviv failed in July 1974 and a few days later Israel-British Bank (London) suspended payments and was subsequently put into liquidation, becoming the only authorised bank to go under in the 1973-74 crisis of Britain's secondary banks.

Creditors of lhe collapsed Londnn bank were afterwards told that, of the two banks' combined £60m. deficit, a significant part waa in loans—most prohably irrecoverable—to certain Liechtenstein and Swiss companies controlled by Mr. Bension and Mr. Landy.

Deposits of cash raised by tbe London hank from the money market were transferred into the Tel Aviv bank's accounts in various countries, hut were recorded in the London concern's hooks as loans to the Swiss and Llechtenstein companies, the liquidators reported. They added tbal the £31m. balance of these advances amounted to as much as 80 per cent. of the outstanding loans made by the London hank.

Shortly after the Tel Aviv hank's failure in 1974, Mr. Bension was arrested and afterwards jailed for 12 years following hia conviction in Israel on 10 counts of fraud and embezzlement.

Borrowings In the money market lefl 90 international banks—as well as 400 private lenders—with debts owing to them from the London hank at tbe time of Its collapse.

The creditors Included London City and Westcliff Properties, in which Israel-British Bank (London) had a near-30 per cent. shareholding, and which is now heing taken over by Lonrho, and Merchants National Bank and Trust Company, of Indianapolis in the U.S.—both owed over £2m. International Westminster Bank, the Crown Ageots, Landeshank Rheinland-Pfalz, and Bank Melli Iran were among other creditors for more than £1m. each, while the American Federal Deposit Insurance Corporation, as successor of the crashed Franklin National Bank, was owed £880,000.

A joint liquidation is heing carried out for the Tel Aviv and British banks. The joint liquidator, Mr. Alan Wheatley, of the City accountants Price Waterhouse, bas forecast an ultimate total distribution to creditors of at least as mucb as 38p in the pound. Smaller creditors who were owed up to £25,000 bave been paid in full in agreement with the Bank of England, wblch contributed £3m. tn the pool of funds for distribution by the liquidators.

British Steel lost £100m. last year despite £3bn. sales

BY ROY HODSON

THE BRITISH Steel Cnrporation lost £100m. in the financial year 1976-77 on sales of £3hn. and does not expect to make aoy profits during the next six months.

The poor figures, which have been the subject of speculation for snme weeks, were officially confirmed in London yesterday by Sir Charles Villiera, BSC chairman, at a lunch attended by other steelmakers, Ministers, and customers of the corporation to mark its 10th anniversary.

Early last year lhe corporation bad hoped to hreak even in 1976-1977 after making a record loss of £255m. in 1975-76.

Despite Sir Charles' pessimistic forecast, the Government has no intention of scaling down the £700m.-a-year investment plan for British Steel, by far the most amhitious steel development going ahead in Europe.

Mr. Eric Varley, the Industry Secretary, referred yesterday to the conflict between the BSC investment programme and the Davignon Plan, newly approved by the European Commission, to regulate steel production and sales In the Community during the world steel crisis.

Britain was not prepared to accept any proposals that would result in our having to shoulder olher countries' problems, he said, either by forgoing new employment prospects or hy giving up markets which would otherwise he available to us.

Mr. Varley said BSC would he spending over £3hn. nn new plant between now and 1981. "We must roll back the flood of imports. We cannot afford to import steel which can be perfectly well made here," he said.

The size of the new investment programme will he a heavy hurden on Britisb Steel in the next few years. Sir Charles said interest charges on the corporation would rise by £50m. in the current year.

"The strain of a programme of this sort could not he carried by a company in the private sector," he said.

● Crude steel production was 1 per cent. down in March compared with March, 1976, among the 29 Wesiern nations belnnging to the International Iron and Steel Institute. Total output was 38.4m. tonnes. The institute says there is still no clear sign of any improvement in the internalinnal steel crisis except in the United States, where production has picked up after heing disrupted earlier in the winter hy the freeze-up.

Yesterday, BSC announced a £20m. order tn supply 50,000 tonnes of high-grade steel pipe for Chevron in use in the North Sea Ninian Field.

Weather

U.K. TO-DAY

BRIGHT intervals and showers, prolonged in N.E. Scotland.

London, S.E., Cent. S. England, Midlanda, Channel I.
Sunny, scattered showers. Max. 12C (54F).

S.W., N.W. England, Wales, Lakes, I. of Man, S.W., N.W. Scotland, Argyll
Showers, with hail and thunder at times. Max. 10C (50F).

E., N.E., Cent. N. England, Borders
Sunny, scattered showers. Max. 10C (50F).

Edinhnrgh, Dundee, Aberdeen, Glasgow, Highlands, Moray Firth, N.E. Scotland, Orkney, Shetland
Showers nr longer periods of rain. Max. 9C (48F).

Outlinnk: Cold, with further showers and sunny intervals.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Alexandria	C	19	66	Lisbon	S	18	64
Amsterdm.	F	14	57	London	R	9	48
Athens	S	18	64	Luxembrg.	C	14	57
Barcelona	F	18	64	Madrid	S	24	75
Beirut	R	18	64	Manchstr.	C	6	43
Belfast	C	9	48	Milan	C	15	59
Belgrade	S	19	66	Moscow	R	10	50
Berlin	S	13	55	Munich	F	11	52
Birmghm.	R	6	43	Newcastle	C	7	45
Bristol	C	8	46	Oslo	S	14	57
Brussels	F	14	57	Paris	C	16	61
Budapest	C	17	63	Prague	F	13	55
Cardiff	F	9	48	Reykjavik	S	5	41
Cologne	F	15	59	Rome	S	22	72
Copnhagn.	F	12	54	Stockholm	F	12	54
Dublin	R	9	48	Strasbourg	F	14	57
Edinbrgh.	C	7	45	Tel Aviv	F	19	66
Frankfurt	F	17	63	Vienna	C	14	57
Geneva	C	13	55	Warsaw	F	13	55
Glasgow	C	8	46	Zurich	F	12	54
Helsinki	F	7	45				

HOLIDAY RESORTS

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Algiers	C	22	72	Jersey	R	10	50
Biarritz	C	13	55	Las Pims.	S	21	70
Blackpool	F	8	46	Locarno	R	12	54
Bordeaux	F	15	59	Luxor	S	28	82
Casablnca.	C	19	66	Majorca	F	18	64
Corfu	C	19	66	Malaga	S	22	72
Dubrovnik	S	19	66	Malta	S	19	66
Faro	S	24	75	Naples	F	22	72
Florence	C	21	70	Nice	S	18	64
Funchal	F	17	63	Oporto	C	14	57
Gibraltar	F	23	73	Rhodes	S	19	66
Guernsey	R	8	46	Salzburg	S	17	63
Innsbruck	F	17	63	Tangier	F	18	66
Inverness	R	5	41	Tenerife	C	17	63
I. of Man	F	8	46	Valencia	R	18	64
Istanbul	C	13	55	Venice	C	18	64

C—Cloudy. R—Rain. F—Fair. S—Sunny.

Continued from Page 1

Callaghan

question of his being thrown out, he said.

"If anyone is going to be expelled, it will be Mr. Powell," Mr. Paisley added.

As the bitterness within the coalition grew, Mr. Paisley and Mr. Ernest Baird, co-leader of the Action Council, said they would give details to-day of next week's disruption. But so far, neither has coofirmed that it will take tbe form of an indefinite strike.

Their ultimatum to the Government runs out at midnight on Monday.

Representatives of hotb sides of industry in Ulster issued a joint statement warning that a strike would jeopardise the future of every man, woman and child.

The Ulster branch of the CBI, the local Chamber of Commerce and the Northern Ireland Committee of the Irish Congress of Trade Unions appealed, In the statement, to all the Loyalist workers, especially those in power stations, tn think again hefore giving their support.

"If thera is a strike, customers will go elsewhere for their goods, investors will disregard Ulster and many firms could go out of business.

"Small firms who make up a significant part of our industry are especially vulnerable and many wonld face instant death."

Bnth aides nf industry, with help from the Goverument, had worked painstakingly to maintain confidence in the ability of industry to deliver goods.

This progress towards industrial stability and job creation had only been achieved through the supreme effort of all concerued and had achieved a fair degree of sncceas.

"All this is now put at risk. A strike would destroy the livelihoods of so many."

The Northern Ireland Office gave no more details of its contingency plans to deal with any stoppage.

Paramilitary groups who will be involved in the proposed action said, privately, that any heavy-bandedness nn the part of the security forces would inflame Loyalist npinion and increase the risk nf disruptinn.

So far, little evidence exists in Belfast of panic buying by the public, and this seems to be an indication of tbe widespread bope that a strike would only be a token protest and not run indefinitely.

Varley denies Drax deal with Weinstock

BY RICHARD EVANS, LOBBY EDITOR

NO DEAL has been made between the Government and Sir Arnold Weinstock, on the restructuring of the heavy power plant industry, Mr. Eric Varley, Secretary for Industry, told anxious MPs at a meeting of the Parliamentary Labour Party last night.

And in a sharp exchange, Mr. James Callaghan angrily rejected an allegation from one backbencher that the Cabinet was too much under the influence of Sir Arnold, managing director of the General Electric Company.

A row over lhe restructuring of the power plant industry and the ordering of the controversial coal-fired Drax B power slation in Yorkshire has heen building up in the Lahour Party for some weeks. Many hack benchers have suspected a deal hetween the Cahinet and GEC, involving the takeover of C. A. Parsons, the turbine manufacturer.

But Mr. Varley said that so far all discussions on the future of the industry had heen "exploratory" and no conclusions had heen reached.

"We have not pressed any particular solution on anyone; no deal of any kind has heen made by the Governmeot," the Minister said.

Mr. Dennis Skinner, the outspoken MP for Bolsover, argued that the restructuring would throw thousands of men out of work. What was needed was constructive action by the Government to save jobs.

Mr. Skinner then complained that Sir Arnold had far too much influence over the Cabinet. The Prime Miniater intervened angrily to state that this was a "quite improper remark."

Mr. Varley told MPs that the Government accepted the Central Policy Review staff analysis of the problems of the power plant indnstry and Ministers were determined to preserve an internationally competitive industry.

These include a restructuring of the industry into one turbine-generator manufacturer and one boilermaker and a steady ordering programme including Drax B. Mr. Varley added that Miolsters also accepted the review staff view that these measures must be considered as an interdependent package—none of them in isolation could produce the desired result.

Mr. Varley added that he was exploring with each of the companies involved possible hases for the restrucing. His overriding objective had heen to discover a aolution offering the prospect of long-term employment for as many people as possible consistent with achieving an internationally competitive industry.

"We want to reach early conclusions and end the present damaging uncertainty. There will be further consultations with the unions and other interested parties as soon as we can see practical possihilities which offer the best prospects of achieving the objective agreed by the Government. Bnt that position has not yet been reached—for example, there have so far heen no direct negotiations between GEC and Reyrolle Parsons," Mr. Varley said.

Other Drax news, Page 13

Bank acts to stem short-term interest rate drop

BY MICHAEL BLANDEN

THE BANK OF ENGLAND stepped in yesterday for the first time this week to slow down the drop in short-term Interest rates In the money market.

The Intervention was taken as a clear signal that the Bank wanted to see no more than a marginal fall in Treasury bill rates and minimum lending rate to-day. It was thought that the Bank would prefer MLR to come down hy only another ¼ point from its present 8¾ per cent.

The move dashed hopes of a bigger cut which bad been evident earlier In the day, when rates on Treasury hills had dropped close to the levels required to hring MLR down to 8 per cent. on the normal market-related formula.

The level of rates rose again later, after the Bank had forced tbe market to borrow for seveo days at MLR. But at the end Treasury bills were still heing quoted at rates which if maintained at to-day's weekly tender would bring a ½ point cut.

The Bank, however, retains tbe power to override the normal formula at the tender In order to prevent a fall which it regards as too great.

Even a small reduction in MLR could prompt the big hanks lo consider a further reduction In their owo lending rates, following the drop In hase rates from 9½ to 9 per cent. early this week. The hanks may, however, wait to see how the market settles down and bow official policy towards rates develops hefore making any decisions.

Fresh look at public spending balance

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

A FRESH LOOK is now being taken in Whitehall at the balance between the capital and current componeots of public spending within the planned totals for the next two years.

This re-examination Is part of the annual public expenditure review—the PESC (Public Expenditure Survey Committee) exercise—and follows the sharp cutback in the level of capital expenditnre hy Goveroment agreed last year.

Spending departments have been asked to examine the effects of the considerably reduced level nf public aector investment—over a qnarter down in twn years. The Central Policy Review Staff (the Think Tank) has also been lonking at the detailed implicatinns as part nf its cnntribution to the PESC exercise.

When the Expeoditure White Paper was published earlier this year, there was widespread criticism, notably from the Commons Expenditure Committee, about the disproportionate sbare of the cuts borne by capital projects, in contrast tn the inuch smaller cuts in current spending and the continued riae in transfer payments.

It is recognised in Whitehall that there is room for a hetter balance, even if not necessarily hack to the earlier share of capital spending in total expenditure. There are pressures anyway for more support for the construcion Industry.

The Government is also having to consider whether the total level of expenditure should increase again in 1979-80 after the end of the two-year period of limits and surveillance under the terms of the International Mnnetary Fund loan.

The very tentative figures in the Expenditure White Paper pointed to a rise of about 2 per cent. in 1979-80 compared with the previnus year unless plans were revised in this summer's review.

Some of the options on public spending are expected to he discussed to-day in a speech hy Mr. Joel Baroett, Chief Secretary to the Treasury.

A fresh look at public spending Page 22

Continued from Page 1

Evening Standard

a buyer who will keep the Standard alive.

Angry van drivers and other unlonists mobhed their chief executives as they went into a meeting at the Bonnington Hotel, London, with unlon leaders. Attempts tn keep the talks seeret by posting them as a meeting of "furniture investors," were unsuccessfnl.

Mr. Reg Brady, father of lhe Evening Standard federated chapel (hranch chairman) said after a meeting of 200 representatives from both groups: "This is our declaration of war."

Neither Cavenham nor Lonrho have reached the stage of making formal take-over proposals.

are expecled to be about £8m. to £9m.

Yesterday's hold-up of the deal came as opposition mounled from the unions in both groups.

Some sections of the Beaverbrook management led by Mr. Charles Wintour, former editor of tbe Standard, are also anxious to find a buyer who will keep the Standard alive.

"We are no longer in opposition with one another. We are united against both managements to prevent the demise of one of London's newspapers."

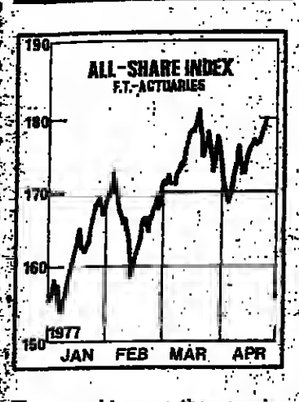
He did not rule out any form of industrial action to block the merger.

THE LEX COLUMN

Recovery in Marks' U.K. margins

The authorities have behaved in a confusing way in the money markets this week, first appearing to tolerate the fairly sharp easing of short term rates, but yesterday emphasising that any decline in the Treasury Bill rate at to-day's tender should only be "marginal" which presumably means a quarter of a point. In fact the Bank of England's action may only be enough to prevent the rate dropping by half rather than three-quarters of a point, with market rates only rising fractionally on the signal. So the Bank may have to decide whether to override the market-related formula to-day and set MLR at 8½ per cent.

Index rose 0.8 to 428.2



Marks and Spencer

Despite the depressed state of consumer spending in the U.K., Marks and Spencer's pre-tax profits of £102.4m. are 22 per cent. higher as the cost pattern started to move in its favour.

Though the sales figures understate the improvement, because the previous year had an extra week, U.K. turnover rose by 13.6 per cent. On the clothing side, volume marked time but food sales continued to be surprisingly buoyant with volume up by 3 to 4 per cent. Obviously a 3½ per cent. increase in U.K. sales area helped turnover, but the group was able to raise gross margins by about three-quarters of a point and, with the rise in operating costs kept down to around 15 per cent., net margins started to recover in the second half.

Overseas the story has nnt been quite so good. The European losses have been cut by £2m., but tbnugh the Paris and Brussels stores performed well the Lyons site has stayed in the red and with another two or three stores opening around Paris over the next 12 months, the associated heavy start-up costs will mean that Marks and Spencer will do well to break even in Europe in the current year. In Canada the picture is more hopeful. The heavy reorganisation costs are now over and last year's £4m. loss should be translated into a profit of £1m. by this year.

Given a £5m. or so turnround in Canada, and modest growth in U.K. volume in the current year, plus a further slight improvement in margins, the group lnoks on course for profits of £125m. plus in the current year though the outcome of Phase Three could upset these projections. At 117p, a p/e of 15.5 should drop by three points next year.

Vesting Day

It is vesting day for the aircraft and shipbuilding industries, but although the transfer of control has now been completed the hattle over compensation for the companies concerned is only just beginning. GEC and Vickers have fired the first shot hy claiming that the BAC Group—in which they each held 50 per cent. until to-day—has a fair commercial acquisition value of at least £200m. This figure has evidently been arrived at by the simple process of taking pre-tax profits of £40m. for 1976, deducting tax, and applying a p/e ratio of 10.

But it is hardly likely that the Government will be happy to follow that kind of reasoning. Compensation, under the Act, is whimsically supposed to be hased on whatever the sbares would have been worth if they had heen quoted in the 6 months ended February 1974. Whether the companies can gain any recognition for recent profits growth—BAC produced only £24m. pre-tax in 1974—or for inflation of 80-odd per cent. since February 1974 are the kind of questions that bave to be thrashed out.

The tactics of GEC and Vickers appear to be to make their initial negotiating position pnblic, and to threaten that they will not be able to advise shareholders that any significantly lower compensation figure is fair. That is not a very powerful bargaining platform, but the arguments will no doubt go on for a long time.

Vickers

Against a half-time forecast of no increase in profits, Vickers emerges from 1976 with a pre-tax gain of £4m. to £28.3m. Once again it has been BAC to the rescue with the associated contribution rising from £15.8m. to £20.9m. The rest of the group has made no overall progress. Canada has turned sour and shipbuilding has continued to decline with offsetting performances coming from engineering in the U.K. (mostly the bearing and bottling machinery operations) and the lithographic division where sales volume looks to have risen by at least a fifth. The shares eased 3p to 173p yesterday where a well covered yield of 6 per cent. (and p/e of 4.2) is taking a fairly neutral stance at this stage of the nationalisation negotiations.

Meanwhile, the balance sheet is still not showing any signs of strain. Net borrowings at the year-end are only £12m. higher at about £85m., although this is partly due to the way a sharp rise in creditors has limited the growth in net working capital to around £5m.

European Ferries

European Ferries' share capital stands to rise by a further £5.4m. to £28.4m. if the acquisition of English and Caledonian Investment goes through (and it is agreed). So there is to be no immediate end to the sort of earnings dilution that has dogged shareholders in recent years. Between March 1973 and the end of 1976, the equity base expanded from £9.9m. to £20.7m. thanks to a mixture of acquisitions and a scrip and rights issue, while published earnings per share only managed to rise from 7½p to 12½p with the help of a very nominal tax charge.

The acquisition will add something like £13m. of net cash to current balances of around £14m., and allow the company to place orders for possibly three new dual purpose ferries in the autumn. At the same time the net dividend is going up by a full 40 per cent. Bnt the shares slipped 4p to 68½p yesterday at which level the prospective yield is still only 6.2 per cent.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London.